

An Act

ENROLLED SENATE
BILL NO. 593

By: Thompson (Roger) of the
Senate

and

Dobrinski of the House

An Act relating to motor vehicles; defining terms; authorizing dealer management system providers perform certain actions; prohibiting dealer management system providers from certain actions; making conflicting term or condition of contracts void and unenforceable; requiring certain actions of authorized integrators; allowing dealers to withdraw, revoke, or amend certain express written authorization under certain circumstances; requiring certain obligations to secure and prevent unauthorized access to certain information; stating certain parties not liable for certain actions; requiring indemnification for certain claims; confining certain judgments to operations of this act directly involved in the controversy in which judgment is rendered; requiring manufacturers to allow new motor vehicle dealers to make certain offers to consumers; making certain exceptions; amending 47 O.S. 2021, Sections 562, 563, 564, 564.1, and 564.2, which relate to definitions, the Oklahoma Motor Vehicle Commission, and licenses; modifying and adding definitions; modifying name of Commission; requiring certain forms for certain motor vehicle deliveries; disallowing certain authorization; making certain exception; eliminating deadline for certain request; clarifying statutory language; amending 47 O.S. 2021, Section 565, as amended by Section 3, Chapter 192, O.S.L. 2022 (47 O.S. Supp. 2022, Section 565), which relates to denial, revocation, or suspension of license; modifying entity subject to license denial, revocation, suspension, or fine; modifying reasons for license denial, revocation,

suspension, or punishment by fine; prohibiting certain standards to measure performance; requiring certain vehicles be offered at same price; requiring certain reimbursement for rental cars; making certain exception; requiring new vehicles be distributed in certain manner; limiting dealers to one part or labor rate request per year; providing for certain calculation; providing for exclusions for certain rate calculation; modifying reasons for certain rebuttal; allowing certain written request; allowing certain adjustments; requiring certain written notice; prohibiting certain recovery of costs; prohibiting factory denial of certain claims and implementation of certain charge-backs; requiring certain documentation and written attestation; providing for certain compensation calculation; requiring certain method for used vehicle calculations; allowing factory to direct dealer in certain manner and method; requiring certain reimbursement claims be subject to certain limitations and requirements; placing certain limit on total compensation; disallowing certain remedy combinations; disallowing the use of certain agreements; making certain exception; providing for certain violation; allowing for certain construction or renovation; providing certain rebuttable presumption; prohibiting factories from changing certain plans or systems; limiting license for distribution; authorizing manufacturer or distributor to require compliance with certain agreement; amending 47 O.S. 2021, Sections 565.1, 565.2, 565.3, 566, 566.1, 567, 576, 578.1, 579, and 580.2, which relate to succession dealerships, termination, cancellation, or nonrenewal of franchise, notice of proposed sale, denial, suspension, and revocation of license, subjections to the Administrative Procedures Act, injunctions, petty cash fund, procedures for relocation or establishment, determination of good cause, and insurance coverage on loan vehicles; defining term; clarifying language; requiring adherence to certain agreement; requiring certain compensation; requiring hearing within certain period

after protest; authorizing certain parties to request extension on certain hearing date; requiring use of certain standards; requiring certain changes be in compliance with existing law; limiting certain evaluations; deleting certain protest right; requiring manufacturer to submit certain agreement within certain period; modifying definition; making certain liability policy coverage distinction; amending 47 O.S. 2021, Sections 583 and 583.1, as amended by Sections 3 and 4, Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022, Sections 583 and 583.1), which relate to used motor vehicle and parts dealers; clarifying statutory language; amending 47 O.S. 2021, Section 596.1, 596.2, 596.3, 596.5, 596.7, 596.8, 596.14, 596.15, and 596.16, which relate to the Recreational Vehicle Franchise Act; clarifying statutory language; updating statutory language; amending 47 O.S. 2021, Section 1116.1, which relates to dealer license plate; updating statutory reference; clarifying statutory language; amending 47 O.S. 2021, Section 1128, as last amended by Section 142, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section 1128), which relates to manufacturers of new vehicles; clarifying statutory language; amending 47 O.S. 2021, Section 1137.3, as amended by Section 172, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section 1137.3), which relates to registration or licensing after purchase of vehicle; clarifying statutory language; amending 21 O.S. 2021, Section 918, which relates to the prohibition on the sale, barter, or exchange of motor vehicles on Sunday; clarifying statutory language; amending 62 O.S. 2021, Section 155, which relates to revolving funds; clarifying statutory language; amending Rule 2.45 of the Rules of the Ethics Commission, as amended by Section 25, Chapter 107, O.S.L. 2022 (74 O.S. Supp. 2022, Ch. 62, App. I), which relates to calculation of travel expenditures; clarifying statutory language; amending 74 O.S. 2021, Section 3601.1, as amended by Section 24, Chapter 107, O.S.L. 2022 (74 O.S. Supp. 2022, Section 3601.1), which relates to maximum number of full-time employees; clarifying statutory language;

making language gender neutral; updating statutory language and references; providing for codification; and providing an effective date.

SUBJECT: Motor vehicle dealers

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 564.3 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. "Access fee" means a requirement to pay money for access to protected dealer data;

2. "Authorized integrator" means a person who a dealer has a contractual relationship with or the dealer otherwise gives express written authorization to have access to protected dealer data stored on a dealer data system or to write protected dealer data to the dealer data system for the purpose of performing a specific function for the dealer;

3. "Dealer data system" means software, hardware, or firmware that a dealer leases or rents from a dealer management system provider for the purpose of storing protected dealer data;

4. "Dealer management system provider" means a person who, for compensation, maintains and provides access to a dealer data system in which a dealer stores protected dealer data;

5. "Protected dealer data" means:

- a. consumer data that a dealer generated or that the consumer provided to the dealer that is not otherwise publicly available and the consumer has not otherwise provided consent or acknowledgment to share the information, and

- b. any other dealer data in connection with the dealer's daily business operations in which a dealer has rights in a dealer data system; and

6. Authorized integrator and dealer management system provider do not include:

- a. a manufacturer, distributor, importer, or any entity that is a subsidiary or affiliate of, or acts on behalf of, a manufacturer, distributor, or importer, or
- b. a governmental body or other person that is acting in accordance with federal, state, or local law, or a valid court order.

B. A dealer management system provider may:

1. Condition access and ability of a dealer or authorized integrator to receive, share, copy, use, write, or transmit protected dealer data from or to a dealer data system on the dealer's or authorized integrator's compliance with security standards;

2. Require an authorized integrator to have express written authorization from a dealer before allowing the authorized integrator to gain access to, receive, share, copy, use, or transmit protected dealer data; and

3. Deny access to a dealer data system to a dealer if the dealer fails to pay an amount due to the dealer management system provider under a lease, contract, or other agreement concerning the dealer's access to or use of the dealer data system.

C. Except as provided in subsection B of this section, a dealer management system provider shall not take any action that would limit or prohibit the ability of a dealer or an authorized integrator to receive, protect, store, copy, share, or use protected dealer data using means that include, but are not limited to:

1. Imposing an access fee on a dealer or authorized integrator; and

2. Restricting a dealer or an authorized integrator from sharing protected dealer data or writing data or having access to a dealer data system. Prohibited restrictions pursuant to this paragraph include, but are not limited to:

- a. limits on the scope or nature of protected dealer data to which a dealer or authorized integrator has access or may share or write to a dealer data system, and
- b. a requirement for a dealer or authorized integrator to provide sensitive or confidential business information or information that a dealer or authorized integrator uses for competitive purposes in return for access to protected dealer data or an authorization to share or write protected dealer data to a dealer data system.

D. Except as otherwise provided in this section, any term or condition of a contract with a dealer management system provider that conflicts with the requirements set forth in subsection C of this section is void and unenforceable to the extent of the conflict.

E. An authorized integrator shall:

1. Obtain express written authorization from a dealer before gaining access to, receiving, sharing, copying, using, writing, or transmitting protected dealer data;

2. Comply with security standards in gaining access to, receiving, sharing, copying, using, writing, or transmitting protected dealer data; and

3. Allow a dealer to withdraw, revoke, or amend any express written authorization the dealer provides under paragraph 1 of this subsection:

- a. at the sole discretion of the dealer, if the dealer gives a thirty-day prior notice to an authorized integrator, or
- b. immediately, for good cause.

F. 1. This section does not prevent a dealer, a dealer management system provider, or an authorized integrator from discharging the obligations of a dealer, dealer management system provider, or of an authorized integrator under federal, state, or local law to secure and prevent unauthorized access to protected dealer data, or from limiting the scope of the obligations, in accordance with federal, state, or local law.

2. A dealer management system provider is not liable for any action that a dealer takes directly with respect to securing or preventing unauthorized access to protected dealer data, or for actions that an authorized integrator takes in appropriately following the written instructions of the dealer for securing or preventing unauthorized access to protected dealer data, to the extent that the actions prevent the dealer management system provider from meeting a legal obligation to secure or prevent unauthorized access to protected dealer data.

3. A dealer is not liable for any action that an authorized integrator takes directly with respect to securing or preventing unauthorized access to protected dealer data, or for actions that the authorized integrator takes in appropriately following the written instructions of the dealer for securing or preventing unauthorized access to protected dealer data, to the extent that the actions prevent the dealer from meeting a legal obligation to secure or prevent unauthorized access to protected dealer data.

4. An authorized integrator is not liable for any action that a dealer takes directly with respect to securing or preventing unauthorized access to protected dealer data, or for actions that the dealer takes in appropriately following the written instructions of the authorized integrator for securing or preventing unauthorized access to protected dealer data, to the extent that the actions prevent the authorized integrator from meeting a legal obligation to secure or prevent unauthorized access to protected dealer data.

5. A manufacturer, distributor, importer, or any entity that is a subsidiary or affiliate of, or acts on behalf of, a manufacturer, distributor, or importer is not liable for any action that a dealer, dealer management system provider, authorized integrator, or other third party, except for a third party who the manufacturer has

provided the data to as provided for in paragraph 7 of this subsection, takes directly with respect to securing or preventing unauthorized access to protected dealer data or for actions that an authorized integrator, dealer management system provider, or other third party takes in appropriately following the written instructions of the dealer for securing or preventing unauthorized access to protected dealer data.

6. Notwithstanding any other agreement, an authorized integrator shall indemnify and hold the new motor vehicle dealer harmless from any third-party claims asserted against or damages incurred by the new motor vehicle dealer to the extent caused by access to, use of, or disclosure of consumer data in violation of this section.

7. Notwithstanding any other agreement, a manufacturer, distributor, importer, or any entity that is a subsidiary or affiliate of, or acts on behalf of, a manufacturer, distributor, or importer shall indemnify the dealer for any third-party claims asserted against or damages incurred by the dealer to the extent the claims or damages are caused by the access to and unlawful disclosure of protected dealer data resulting from a breach caused by the manufacturer or distributor or a third party to which the manufacturer or distributor has provided the protected dealer data in violation of this section, the written consent granted by the dealer, or other applicable state or federal law.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 565.4 of Title 47, unless there is created a duplication in numbering, reads as follows:

Any manufacturer or distributor who has new motor vehicle sales and service agreements with new motor vehicles dealers in this state shall allow its new motor vehicle dealers to offer consumers any remote software upgrade or change to vehicle functions and features to a new motor vehicle which is of a line-make the new motor vehicle dealer holds an active sales and service contract for, as any offered to consumers by the manufacturer or distributor, and such upgrade or change shall be available for an authorized new motor vehicle dealer to offer to consumers at any time during the life cycle of the vehicle, and subject to the manufacturer or distributor's requirements, provided the same continues to be made

available and offered to consumers in this state by the manufacturer or distributor. This section does not apply to remote software upgrades or changes administered at no cost to the consumer or related solely to the safety, regulatory requirements, cybersecurity, recall of a motor vehicle, Oklahoma Statutes, or federal statutes. Nothing in this section shall be construed to limit or impair a manufacturer or distributor's intellectual property rights, or to grant a new motor vehicle dealer authority to sell, copy, modify, or use the manufacturer's or distributor's intellectual property in a manner that has not been authorized by the manufacturer or distributor. Nothing in this section shall obligate a manufacturer, distributor, or other person to support or maintain any software or change to vehicle functions and features.

SECTION 3. AMENDATORY 47 O.S. 2021, Section 562, is amended to read as follows:

Section 562. The following words, terms, and phrases, when used in Sections 561 through 567, 572, 578.1, 579, and 579.1 of this title, shall have the meanings respectively ascribed to them in this section, except where the context clearly indicates a different meaning:

1. "Motor vehicle" means any motor-driven vehicle required to be registered under the Oklahoma Vehicle License and Registration Act. The term ~~"motor vehicle"~~ motor vehicle does not include:

- a. recreational vehicles, as defined in the Recreational Vehicle Franchise Act, or
- b. all-terrain vehicles, utility vehicles, and motorcycles used exclusively for off-road use which are sold by a retail implement dealer;

2. "New motor vehicle dealer" means any person, firm, association, corporation, or trust not excluded by this paragraph who sells, offers for sale, advertises to sell, leases, or displays new motor vehicles and holds a bona fide contract or franchise in effect with a manufacturer or distributor authorized by the manufacturer to make predelivery preparation of such vehicles sold to purchasers and to perform post-sale work pursuant to the manufacturer's or distributor's warranty. As used herein,

"authorized predelivery preparation" means the rendition by the dealer of services and safety adjustments on each new motor vehicle in accordance with the procedure and safety standards required by the manufacturer of the vehicle to be made before its delivery to the purchaser. "Performance of authorized post-sale work pursuant to the warranty", as used herein, means the rendition of services which are required by the terms of the warranty that stands extended to the vehicle at the time of its sale and are to be made in accordance with the safety standards prescribed by the manufacturer. The term includes premises or facilities at which a person engages only in the repair of motor vehicles if repairs are performed pursuant to the terms of a franchise and motor vehicle manufacturer's warranty. ~~However, the term shall not include premises or facilities at which a new motor vehicle dealer or dealers within the area of responsibility of such dealer or dealers as defined in the manufacturer's franchise agreement of such dealer or dealers performs motor vehicle repairs pursuant to the terms of a franchise and motor vehicle manufacturer's warranty.~~ For the purpose of Sections 561 through 567, 572, 578.1, 579, and 579.1 of this title, the terms ~~"new motor vehicle dealer"~~ new motor vehicle dealer and "new motor vehicle dealership" shall be synonymous. The term ~~"new motor vehicle dealer"~~ new motor vehicle dealer does not include:

- a. receivers, trustees, administrators, executors, guardians, or other persons appointed by or acting under judgment or order of any court,
- b. public officers while performing or in operation of their duties, ~~or~~
- c. employees of persons, corporations, or associations enumerated in subparagraph a of this paragraph when engaged in the specific performance of their duties as such employees, or
- d. a powersports vehicle dealer;

3. "Motor vehicle salesperson" means any person who, for gain or compensation of any kind, either directly or indirectly, regularly or occasionally, by any form of agreement or arrangement, sells or negotiates for the sale, lease, or conveyance or arranges

the financing of any new motor vehicle as an employee for any new motor vehicle dealer to any one or more third parties;

4. "Commission" means the Oklahoma New Motor Vehicle Commission;

5. "Manufacturer" means any person, firm, association, corporation, or trust, resident or nonresident, ~~who~~ that manufactures or assembles new and unused motor vehicles or ~~who~~ that engages in the fabrication or assembly of motorized vehicles of a type required to be registered in ~~the State of Oklahoma~~ this state;

6. "Distributor" means any person, firm, association, corporation, or trust, resident or nonresident, ~~who~~ that, being authorized by the original manufacturer, in whole or in part sells or distributes new and unused motor vehicles to new motor vehicle dealers, or ~~who~~ that maintains distributor representatives;

7. "Factory branch" means any branch office maintained by a person, firm, association, corporation, or trust ~~who~~ that manufactures or assembles motor vehicles for the sale of motor vehicles to distributors, or for the sale of motor vehicles to new motor vehicle dealers, or for directing or supervising, in whole or in part, its representatives;

8. "Distributor branch" means any branch office similarly maintained by a distributor for the same purposes a factory branch is maintained;

9. "Factory representative" means any officer or agent engaged as a representative of a manufacturer of motor vehicles or by a factory branch, for the purpose of making or promoting the sale of its motor vehicles, or for supervising or contacting its dealers or prospective dealers;

10. "Distributor representative" means any person, firm, association, corporation, or trust and each officer and employee thereof engaged as a representative of a distributor or distributor branch of motor vehicles, for the purpose of making or promoting the sale of its motor vehicles, or for supervising or contacting its dealers or prospective dealers;

11. "Franchise" means any contract or agreement between a new motor vehicle dealer and a manufacturer of a new motor vehicle or its distributor or factory branch by which the new motor vehicle dealer is authorized to engage in the business of selling any specified make or makes of new motor vehicles activities of a new motor vehicle dealer as defined by this section;

12. "New or unused motor vehicle" means a vehicle which is in the possession of the manufacturer or distributor or has been sold only to the holder of a valid ~~selling agreement, franchise or contract,~~ granted by the manufacturer or distributor for the sale of that make of new vehicle so long as the manufacturer's statement of origin has not been assigned to anyone other than a licensed franchised new motor vehicle dealer of the same line-make;

13. "Area of responsibility" means the geographical area, as designated by the manufacturer, factory branch, factory representative, distributor, distributor branch, or distributor representative, in which the new motor vehicle dealer is held responsible for the promotion and development of sales and rendering of service for the make of motor vehicle for which the new motor vehicle dealer holds a franchise or selling agreement;

14. "Off premises" means at a location other than the address designated on the new motor vehicle dealer's license;

15. "Sponsoring entity" means any person, firm, association, corporation, or trust which has control, either permanently or temporarily, over the real property upon which the ~~off-premise~~ off-premises sale or display is conducted;

16. "Product" means new motor vehicles and new motor vehicle parts;

17. "Service" means motor vehicle warranty repairs including both parts and labor;

18. "Lead" means a consumer contact in response to a factory program designed to generate interest in purchasing or leasing a new motor vehicle;

19. ~~"Sell or sale"~~ "Sell" or "sale" means to sell or lease;

20. "Factory" means a manufacturer, distributor, factory branch, distributor branch, factory representative, or distributor representative, which manufactures or distributes vehicle products;

21. "Powersports vehicle" means motorcycles, scooters, mopeds, all-terrain vehicles, and utility vehicles;

22. "Powersports vehicle dealer" means any person, firm, or corporation ~~who~~ that is in the business of selling any new powersports vehicles except for retail implement dealers; ~~and~~

23. "Retail implement dealer" means a business engaged primarily in the sale of farm tractors as defined in Section 1-118 of this title or implements of husbandry as defined in Section 1-125 of this title or a combination thereof;

24. "Consumer data" means nonpublic personal information as defined in 15 U.S.C., Section 6809(4) as it existed on January 1, 2023, that is:

- a. collected by a new motor vehicle dealer, and
- b. provided by the new motor vehicle dealer directly to a manufacturer or third party acting on behalf of a manufacturer.

The term shall not include the same or similar data obtained by a manufacturer from any source other than the new motor vehicle dealer or new motor vehicle dealer's data management system; and

25. "Fleet vehicle" means a new motor vehicle sold and titled or registered to a business and used for business purposes only.

SECTION 4. AMENDATORY 47 O.S. 2021, Section 563, is amended to read as follows:

Section 563. A. There is hereby created the Oklahoma New Motor Vehicle Commission, to be composed of nine (9) members. Seven of the members shall have been engaged in the manufacture, distribution, or sale of new motor vehicles and two members shall be lay members, all to be appointed by the Governor of the State of

Oklahoma, with the advice and consent of the State Senate. ~~Such appointments~~ Appointments shall be made within thirty (30) days after ~~the effective date of this section~~ November 1, 1985. Each of the Commissioners thus appointed shall, at the time of the appointment, be a resident in good faith of ~~the State of Oklahoma~~ this state, shall be of good moral character, and each of the industry related Commissioners shall have been actually engaged in the manufacture, distribution, or sale of ~~such~~ new motor vehicles for not less than ten (10) years ~~next~~ preceding ~~such~~ the appointment. The members of the Commission shall serve at the pleasure of the Governor.

B. 1. The Commissioners shall elect a ~~Chairman~~ chair from amongst them whose term shall be for one (1) year with the right to succeed ~~him~~ himself or herself.

2. There shall be three at large members of the Commission. Six members of the Commission shall be appointed from the following geographical areas with at least one member from each area:

- a. four areas of the state shall be the northwest, northeast, southwest, and southeast sections designated by Interstate 35 dividing the state east and west and Interstate 40 dividing the state north and south, excluding Oklahoma County and Tulsa County, and
- b. two additional areas shall be Oklahoma County and Tulsa County.

There shall not be more than two members of the Commission from any one area.

C. The terms of office of the members first appointed to the Commission shall be as follows:

1. The members appointed from the northwest, northeast, and southwest areas shall serve until June 30, 1987;

2. The members appointed from the southeast area and Oklahoma County and Tulsa County shall serve until June 30, 1989; and

3. The members appointed at large shall serve until June 30, 1991.

Each member shall serve until a successor is appointed and qualifies. Thereafter, the term of office of each member of the Commission shall be for six (6) years. The term of office of any member will automatically expire if the member moves out of the geographical area from which the member was appointed. In event of death, resignation, removal, or term automatically expiring, of any person serving on the Commission, the vacancy shall be filled by appointment as provided for the unexpired portion of the term. The Commission shall meet at Oklahoma City and complete its organization immediately after the membership ~~thereof~~ has been appointed and has qualified. The ~~Chairman~~ chair and each member of the Commission shall take and subscribe to the oath of office required of public officers.

D. The members of the Commission shall receive reimbursement for subsistence and traveling expenses necessarily incurred in the performance of their duties as provided by the State Travel Reimbursement Act.

E. The Commission shall appoint a qualified person to serve as Executive Director thereof, which person shall have had not less than ten (10) years of experience in the motor vehicle industry. The Executive Director shall be appointed for a term of six (6) years, and shall not be subject to dismissal or removal without cause. The Commission shall fix the salary and prescribe the duties of the Executive Director. The Executive Director shall devote such time as necessary to fulfill the duties thereof, and before entering upon such duties shall take and subscribe to the oath of office. The Executive Director may employ such clerical, technical, and other help and legal services and incur such expenses as may be necessary for the proper discharge of the duties of the Executive Director under ~~this act~~ Section 561 et seq. of this title. The Commission shall maintain its office and transact its business in Oklahoma City, and it is authorized to adopt and use a seal. The Executive Director is hereby authorized to hire, retain, or otherwise acquire the services of an attorney to represent the Commission in any and all state and federal courts, and assist the Commission in any and all business or legal matters that may come

before it. The attorney so representing the Commission shall discharge the duties under the direction of the Executive Director.

F. The Commission is hereby vested with the powers necessary to enable it to fully and effectively carry out the provisions and objects of ~~this act~~ Section 561 et seq. of this title, and is hereby authorized and empowered to make and enforce all reasonable rules and to adopt and prescribe all forms necessary to accomplish such purpose. All forms used by a new motor vehicle dealer to facilitate the delivery of a vehicle pending approval of financing shall be approved by the Commission. Spot delivery agreement forms shall be required for all new motor vehicle deliveries subject to dealers finding lending institutions to purchase the retail installment contracts executed by the purchasing and selling parties.

G. All fees, charges and fines collected under the provisions of ~~this act~~ Section 561 et seq. of this title shall be deposited by the Executive Director in the State Treasury in accordance with the depository laws of this state in a special fund to be known as the "Oklahoma New Motor Vehicle Commission Fund", which is hereby created, and except as hereinafter provided the monies in the fund shall be used by the Commission for the purpose of carrying out and enforcing the provisions of ~~this act~~ Section 561 et seq. of this title. Expenditures from the fund shall be made upon vouchers approved by the Commission or its authorized officers.

At the close of each fiscal year, the Commission shall file with the Governor and the State Auditor and Inspector a true and correct report of all fees, fines and charges collected and received by it during the preceding fiscal year and shall at the same time pay into the General Revenue Fund of the state a sum equal to ten percent (10%) of the fees, fines, and charges ~~so~~ collected and received.

All expenses incurred by the Commission in carrying out the provisions of ~~this act~~ Section 561 et seq. of this title, including but not limited to per diem, wages, salaries, rent, postage, advertising, supplies, bond premiums, travel, and subsistence for the Commissioners, the Executive Director, employees, and legal counsel, and printing and utilities, shall be a proper charge against such fund, exclusive of the portion thereof to be paid into the General Revenue Fund as above set out. In no event shall liability ever accrue hereunder against this state in any sum

whatsoever, or against the Oklahoma New Motor Vehicle Commission Fund, in excess of the ninety percent (90%) of the fees, fines, and charges deposited therein.

SECTION 5. AMENDATORY 47 O.S. 2021, Section 564, is amended to read as follows:

Section 564. A. It shall be unlawful for any person, firm, association, corporation, or trust to engage in business as, or serve in the capacity of, or act as a new motor vehicle dealer, powersports dealer, or manufacturer or distributor of new motor vehicles or powersports vehicles, or factory branch, distributor branch or factory representative or distributor representative, as ~~such~~ defined in Section 562 of this title, in this state without first obtaining a license therefor as provided for by law. Any person, firm, association, corporation, or trust engaging in more than one of such capacities or having more than one place where such business is carried on or conducted shall be required to obtain and hold a current license for each thereof. Provided that, a new motor vehicle dealer's license shall authorize one person to sell in the event such person shall be the owner of a proprietorship, or the person designated as principal in the dealer's franchise or the managing officer or one partner if no principal person is named in the franchise. It is further provided that a factory or an entity affiliated by any ownership or control by the factory shall not be permitted to be licensed as a new motor vehicle dealer in this state, except as provided by subparagraph b of paragraph 12 of Section 565 of this title.

B. Applications for licenses required to be obtained under the provisions of Section 561 et seq. of this title shall be verified by the oath or affirmation of the applicant and shall be on forms prescribed by the Oklahoma New Motor Vehicle Commission and furnished to ~~such~~ the applicants, and shall contain ~~such~~ information as the Commission deems necessary to enable it to fully determine the qualifications and eligibility of the several applicants to receive the license or licenses applied for. The Commission shall require in such application, or otherwise, information relating to the applicant's financial standing, the applicant's business integrity, whether the applicant has an established place of business and is primarily engaged in the pursuit, avocation, or business for which a license, or licenses, are applied for, and

whether the applicant is able to properly conduct the business for which a license, or licenses, are applied for, and such other pertinent information consistent with the safeguarding of the public interest and the public welfare. All ~~such~~ applications for license or licenses shall be accompanied by the appropriate fee or fees therefor in accordance with the schedule thereof hereinafter set out. In the event any ~~such~~ application is denied and the license applied for is not issued, the entire license fee shall be returned to the applicant. All licenses issued under the provisions of Section 561 et seq. of this title shall expire on June 30, following the date of issue and shall be nontransferable. All applications for renewal of a license for a new motor vehicle dealer, powersports dealer, manufacturer, distributor, or manufacturer's or distributor's representative shall be submitted by June 1 of each year, and such license or licenses will be issued by July 1. If applications have not been made for renewal of licenses at the times described in this subsection, it shall be illegal for any person to represent himself or herself and act as a dealer, manufacturer, distributor, or manufacturer's or distributor's representative. Motor license agents will be notified not to accept such dealers' titles until such time as licenses have been issued by the Commission.

C. The schedule of license fees to be charged and received by the Commission for the licenses issued hereunder shall be as follows:

1. For each factory branch or distributor branch, Four Hundred Dollars (\$400.00) initial fee with annual renewal fee of Three Hundred Dollars (\$300.00);

2. For each manufacturer or distributor of new motor vehicles, Four Hundred Dollars (\$400.00) initial fee with annual renewal fee of Three Hundred Dollars (\$300.00);

3. For each factory representative or distributor representative, One Hundred Dollars (\$100.00) annually;

4. For each new motor vehicle dealer, except powersports vehicle dealers, initial fee of Three Hundred Dollars (\$300.00) per franchise sold at each location licensed, with an annual renewal fee

of One Hundred Dollars (\$100.00) per franchise sold at each location per year; and

5. For each powersports vehicle dealer, initial fee of Three Hundred Dollars (\$300.00) per manufacturer represented by the dealer at each location licensed, with an annual renewal fee of One Hundred Dollars (\$100.00) per manufacturer represented by the dealer at each location licensed per year.

D. The licenses issued to each new motor vehicle dealer, powersports dealer, manufacturer, distributor, factory branch, distributor branch or representative, if a corporation, shall specify the location of the factory, office, or branch thereof. In case such location is changed, the Commission may endorse the change of location on the license without charge unless the change of address triggers a relocation of a new motor vehicle dealer pursuant to the provisions of Section 578.1 of this title. The license of each new motor vehicle dealer shall be posted in a conspicuous place in the new motor vehicle dealer's place or places of business.

Every motor vehicle factory representative or distributor representative if an individual shall physically possess the license when engaged in business, and shall display ~~same~~ such upon request. The name of the employer of such factory representative or distributor representative shall be stated on the license and, in case of a change of employer, the holder of such license shall immediately mail ~~same~~ such to the Commission for its endorsement of such change ~~thereon~~. The Commission shall endorse each such change of employer on licenses for a fee of Ten Dollars (\$10.00).

E. The powersports dealer license shall only allow the sale of the specific types of powersports vehicles authorized by the manufacturer and agreed to by the powersports dealer.

SECTION 6. AMENDATORY 47 O.S. 2021, Section 564.1, is amended to read as follows:

Section 564.1. ~~Licensing of off-premises displays of new motor vehicles and off-premise sales of new motorized recreational vehicles.~~

A. The Oklahoma New Motor Vehicle Commission shall provide for ~~off-premise~~ off-premises displays of new motor vehicles by currently licensed new motor vehicle dealers. An ~~off-premise~~ off-premises event may be held for display purposes only under the following conditions:

1. The motor vehicles are for display purposes only and not for sale at the ~~off-premise~~ off-premises display event;
2. No selling activities shall be conducted;
3. The display is in the dealer's factory-approved area of sales and service responsibility;
4. The dealer must obtain written approval from the manufacturer or distributor; and
5. The dealer is required to obtain approval for the display location from the sponsoring entity.

B. The Oklahoma New Motor Vehicle Commission is authorized to provide a variance to the distance requirements specified in this section, for any ~~off-premise~~ off-premises display event if:

- ~~1. The off-premise the off-premises display is conducted within municipal, county, or state-owned or controlled facilities or within the grounds of any county, district, or state fair; and~~
- ~~2. The request for the variance must be in writing to the Commission no less than thirty (30) days prior to the off-premise display event.~~

SECTION 7. AMENDATORY 47 O.S. 2021, Section 564.2, is amended to read as follows:

Section 564.2. It shall be punishable by an administrative fine not to exceed Five Hundred Dollars (\$500.00) for any person, firm, association, corporation, or trust to engage in business as, or serve in the capacity of, a new motor vehicle salesperson in this state without first obtaining a certificate of registration with the Oklahoma New Motor Vehicle Commission. The cost of registration for each new salesperson shall be set at Twenty-five Dollars (\$25.00) to

be renewed annually. The cost of registration and any administrative fine is to be borne by the employing entity of the new salesperson. The Commission shall promulgate rules and procedures necessary for the implementation and creation of the registry and the issuance of certificates of registration.

SECTION 8. AMENDATORY 47 O.S. 2021, Section 565, as amended by Section 3, Chapter 192, O.S.L. 2022 (47 O.S. Supp. 2022, Section 565), is amended to read as follows:

Section 565. A. The Oklahoma New Motor Vehicle Commission may deny an application for a license, ~~or~~ revoke or suspend a license, or impose a fine against any person or entity, not to exceed Ten Thousand Dollars (\$10,000.00) ~~against a manufacturer or distributor or a fine not to exceed One Thousand Dollars (\$1,000.00) against a dealer~~ per occurrence, that violates any provision of Sections 561 through 567, 572, 578.1, 579, and 579.1 of this title ~~is violated~~ or for any of the following reasons:

1. On satisfactory proof of unfitness of the applicant in any application for any license under the provisions of Section 561 et seq. of this title;

2. For any material misstatement made by an applicant in any application for any license under the provisions of Section 561 et seq. of this title;

3. For any failure to comply with any provision of Section 561 et seq. of this title or any rule promulgated by the Commission under authority vested in it by Section 561 et seq. of this title;

4. A change of condition after license is granted resulting in failure to maintain the qualifications for license;

5. Being a new motor vehicle dealer who:

- a. has required a purchaser of a new motor vehicle, as a condition of sale and delivery thereof, to also purchase special features, appliances, accessories, or equipment not desired or requested by the purchaser and installed by the new motor vehicle dealer,

- b. uses any false or misleading advertising in connection with business as a new motor vehicle dealer,
- c. has committed any unlawful act which resulted in the revocation of any similar license in another state,
- d. has failed or refused to perform any written agreement with any retail buyer involving the sale of a motor vehicle,
- e. has been convicted of a felony crime that substantially relates to the occupation of a new motor vehicle dealer and poses a reasonable threat to public safety,
- f. has committed a fraudulent act in selling, purchasing, or otherwise dealing in new motor vehicles or has misrepresented the terms and conditions of a sale, purchase or contract for sale or purchase of a new motor vehicle or any interest therein including an option to purchase such vehicle,
- g. has failed to meet or maintain the conditions and requirements necessary to qualify for the issuance of a license, or
- h. completes any sale or transaction of an extended service contract, extended maintenance plan, or similar product using contract forms that do not conspicuously disclose the identity of the service contract provider;

6. Being a new motor vehicle salesperson who is not employed as such by a licensed new motor vehicle dealer;

7. Being a new motor vehicle dealer who:

- a. does not have an established place of business,
- b. does not provide for a suitable repair shop separate from the display room with ample space to repair or recondition one or more vehicles at the same time, and

which is staffed with properly trained and qualified repair technicians and is equipped with such parts, tools, and equipment as may be requisite for the servicing of motor vehicles in such a manner as to make them comply with the safety laws of this state and to properly fulfill the dealer's or manufacturer's warranty obligation,

- c. does not hold a franchise in effect with a manufacturer or distributor of new or unused motor vehicles for the sale of the same and is not authorized by the manufacturer or distributor to render predelivery preparation of such vehicles sold to purchasers and to perform any authorized post-sale work pursuant to the manufacturer's or distributor's warranty,
- d. employs a person without obtaining a certificate of registration for the person, or utilizes the services of used motor vehicle lots or dealers or other unlicensed persons in connection with the sale of new motor vehicles,
- e. does not properly service a new motor vehicle before delivery of same to the original purchaser thereof, or
- f. fails to order and stock a reasonable number of new motor vehicles necessary to meet ~~customer~~ consumer demand for each of the new motor vehicles included in the new motor vehicle dealer's franchise agreement, unless the new motor vehicles are not readily available from the manufacturer or distributor due to limited production;

8. Being a factory that has:

- a. either induced or attempted to induce by means of coercion or intimidation, any new motor vehicle dealer:
 - (1) to accept delivery of any motor vehicle or vehicles, parts, or accessories therefor, or any

other commodities including advertising material which shall not have been ordered by the new motor vehicle dealer,

(2) to order or accept delivery of any motor vehicle with special features, appliances, accessories, or equipment not included in the list price of the motor vehicles as publicly advertised by the manufacturer thereof, or

(3) to order or accept delivery of any parts, accessories, equipment, machinery, tools, appliances, or any commodity whatsoever, ~~or~~

b. induced under threat or discrimination by the withholding from delivery to a new motor vehicle dealer certain models of motor vehicles, changing or amending unilaterally the new motor vehicle dealer's allotment of motor vehicles, and/or withholding and delaying delivery of ~~such~~ the vehicles out of the ordinary course of business, in order to induce by such coercion any ~~such~~ new motor vehicle dealer to participate or contribute to any local or national advertising fund controlled directly or indirectly by the factory or for any other purposes such as contest, ~~"give-aways"~~ "giveaways", or other so-called sales promotional devices, and/or change of quotas in any sales contest; or has required new motor vehicle dealers, as a condition to receiving their vehicle allotment, to order a certain percentage of the vehicles with optional equipment not specified by the new motor vehicle dealer; however, nothing in this section shall prohibit a factory from supporting an advertising association which is open to all new motor vehicle dealers on the same basis,

c. used a performance standard, sales objective, or program for measuring dealer performance that may have a material effect on a right of the dealer to vehicle allocation; or payment under any incentive or reimbursement program that is unfair, unreasonable, inequitable, and not based on accurate information,

- d. used a performance standard for measuring sales or service performance of any new motor vehicle dealer under the terms of the franchise agreement which:
- (1) is unfair, unreasonable, arbitrary, or inequitable, and
 - (2) does not consider the relevant and material local and state or regional criteria, including prevailing economic conditions affecting the sales or service performance of a vehicle dealer or any relevant and material data and facts presented by the dealer in writing within thirty (30) days of the written notice of the manufacturer to the dealer of its intention to cancel, terminate, or not renew the dealer's franchise agreement,
- e. failed or refused to sell, or offer for sale, new motor vehicles to all of its authorized same line-make franchised new motor vehicle dealers at the same price for a comparably equipped motor vehicle, on the same terms, with no differential in functionally available discount, allowance, credit, or bonus, except as provided in subparagraph e of paragraph 9 of this subsection,
- f. failed to provide reasonable compensation to a new motor vehicle dealer substantially equivalent to the actual cost of providing a manufacturer required loaner or rental vehicle to any consumer who is having a vehicle serviced at the dealership. For purposes of this paragraph, actual cost is the average cost in the new motor vehicle dealer's region for the rental of a substantially similar make and model as the vehicle being serviced, or
- g. failed to make available to its new motor vehicle dealers a fair and proportional share of all new vehicles distributed to same line-make dealers in this state, subject to the same reasonable terms, including

any vehicles distributed from a common new vehicle inventory pool outside of the factory's ordinary allocation process such as any vehicles the factory reserves to distribute on a discretionary basis;

9. Being a factory that:

- a. has attempted to coerce or has coerced any new motor vehicle dealer to enter into any agreement or to cancel any agreement, ~~or fails;~~ has failed to act in good faith and in a fair, equitable, and nondiscriminatory manner; or has directly or indirectly coerced, intimidated, threatened, or restrained any new motor vehicle dealer; ~~or~~ has acted dishonestly~~;~~ or has failed to act in accordance with the reasonable standards of fair dealing,
- b. has failed to compensate its dealers for the work and services they are required to perform in connection with the dealer's delivery and preparation obligations according to the agreements on file with the Commission which must be found by the Commission to be reasonable, or ~~fail~~ has failed to adequately and fairly compensate its dealers for labor, parts, and other expenses incurred by such the dealer to perform under and comply with manufacturer's warranty agreements and recall repairs which shall include diagnostic work as applicable and assistance requested by a consumer whose vehicle was subjected to an over-the-air or remote change, repair, or update to any part, system, accessory, or function by the manufacturer and performed by the dealer in order to satisfy the consumer. Time allowances for the diagnosis and performance of repair work shall be reasonable and adequate for the work to be performed. Adequate and fair compensation, which under this provision shall be no less than the rates customarily charged for retail consumer repairs as calculated herein, for parts and labor for warranty and recall repairs shall, at the option of the new motor vehicle dealer, be established by the new motor vehicle dealer submitting to the manufacturer or distributor one

hundred sequential nonwarranty ~~customer-paid~~ consumer-paid service repair orders which contain warranty-like parts repairs, or ninety (90) consecutive days of nonwarranty ~~customer-paid~~ consumer-paid service repair orders which contain warranty-like parts repairs, whichever is less, covering repairs made no more than one hundred eighty (180) days before the submission and declaring the average percentage labor rate and/or markup rate. Adequate and fair compensation for labor shall be established by the dealer submitting to the manufacturer or distributor one hundred sequential customer-paid service repair orders which contain labor charges, or ninety (90) consecutive days of customer-paid service repair orders which contain labor charges, whichever is less. A new motor vehicle dealer may not submit a request to establish its retail rates more than once in a twelve-month period. That request may establish a parts markup rate, labor rate, or both. The new motor vehicle dealer shall calculate its retail parts rate by determining the total charges for parts from the qualified repair orders submitted, dividing that amount by the new motor vehicle dealer's total cost of the purchase of those parts, subtracting one (1), and multiplying by one hundred (100) to produce a percentage. The new motor vehicle dealer shall calculate its retail labor rate by dividing the amount of the new motor vehicle dealer's total labor sales from the qualified repair orders by the total labor hours charged for those sales. When submitting repair orders to calculate establish a retail parts and labor rate, a new motor vehicle dealer need not include ~~repair orders~~ repairs for:

- (1) routine maintenance including but not limited to the replacement of bulbs, fluids, filters, batteries, and belts that are not provided in the course of and related to a repair,
- (2) factory special events, specials, or promotional discounts for retail consumer repairs,

- (3) parts sold or repairs performed at wholesale,
- (4) factory-approved goodwill or policy repairs or replacements,
- (5) repairs with aftermarket parts, when calculating the retail parts rate but not the retail labor rate,
- (6) repairs on aftermarket parts,
- (7) replacement of or work on tires including front-end alignments and wheel or tire rotations,
- (8) repairs of motor vehicles owned by the new motor vehicle dealer or employee thereof at the time of the repair,
- (9) vehicle reconditioning, or
- (10) items that do not have individual part numbers including, but not limited to, nuts, bolts, and fasteners.

A manufacturer or distributor may, not later than ~~thirty (30)~~ forty-five (45) days after submission, rebut that declared retail parts and labor rate in writing by reasonably substantiating that the rate is inaccurate or unreasonable in light of the practices of all other franchised motor vehicle dealers in an economically similar part of the state offering the same line-make vehicles not accurate or is incomplete pursuant to the provisions of this section. If the manufacturer or distributor determines the set of repair orders submitted by the new motor vehicle dealer pursuant to this section for a retail labor rate or retail parts markup rate is substantially higher than the new motor vehicle dealer's current warranty rates, the manufacturer or distributor may request, in writing, within forty-five (45) days after the manufacturer's or distributor's receipt of the new motor vehicle dealer's initial submission, all repair

orders closed within the period of thirty (30) days immediately preceding, or thirty (30) days immediately following, the set of repair orders initially submitted by the new motor vehicle dealer. All time periods under this section shall be suspended until the supplemental repair orders are provided. If the manufacturer or distributor requests supplemental repair orders, the manufacturer or distributor may, within thirty (30) days after receiving the supplemental repair orders and in accordance with the formula described in this subsection, calculate a proposed adjusted retail labor rate or retail parts markup rate, as applicable, based upon any set of the qualified repair orders submitted by the franchisee and following the formula set forth herein to establish the rate. The retail rate labor and parts rates shall go into effect thirty (30) days following the approval by the manufacturer, subject to audit of the submitted repair orders by the franchisor and a rebuttal of the declared rate as described above or distributor. If the declared rate is rebutted, the manufacturer or distributor shall provide written notice stating the reasons for the rebuttal, an explanation of the reasons for the rebuttal, and a copy of all calculations used by the franchisor in determining the manufacturer or distributor's position and propose an adjustment in writing of the average percentage markup or labor rate based on that rebuttal not later than ~~thirty (30)~~ forty-five (45) days after submission. If the new motor vehicle dealer does not agree with the proposed average percentage markup or labor rate, the new motor vehicle dealer may file a protest with the Commission not later than thirty (30) days after receipt of that proposal by the manufacturer or distributor. In the event a protest is filed, the manufacturer or distributor shall have the burden of proof to establish the new motor vehicle dealer's submitted parts markup rate or labor rate was inaccurate or unreasonable in light of the practices of all other franchised motor vehicle dealers in an economically similar part of the state not complete pursuant to the provisions of this section. A

manufacturer or distributor may not retaliate against any new motor vehicle dealer seeking to exercise its rights under this ~~provision~~ section. A manufacturer or distributor may require a dealer to submit repair orders in accordance with this section in order to validate the reasonableness of a dealer's retail rate for parts or labor not more often than once every twelve (12) months. A manufacturer or distributor may not otherwise recover its costs from new motor vehicle dealers within this state including a surcharge imposed on a new motor vehicle dealer solely intended to recover the cost of reimbursing a new motor vehicle dealer for parts and labor pursuant to this section; provided, a manufacturer or distributor shall not be prohibited from increasing prices for vehicles or parts in the normal course of business or from auditing and charging back claims in accordance with this section. All claims made by dealers for compensation for delivery, preparation, ~~and~~ warranty, or recall repair work shall be paid within thirty (30) days after approval and shall be approved or disapproved within thirty (30) days after receipt. When any claim is disapproved, the dealer shall be notified in writing of the grounds for disapproval. The dealer's delivery, preparation, and warranty obligations as filed with the Commission shall constitute the dealer's sole responsibility for product liability as between the dealer and manufacturer. A factory may reasonably and periodically audit a new motor vehicle dealer to determine the validity of paid claims for new motor vehicle dealer compensation or any charge-backs for warranty parts or service compensation. Except in cases of suspected fraud, audits of warranty payments shall only be for the one-year period immediately following the date of the payment. A manufacturer shall reserve the right to reasonable, periodic audits to determine the validity of paid claims for dealer compensation or any charge-backs for consumer or dealer incentives. Except in cases of suspected fraud, audits of incentive payments shall only be for a one-year period immediately following the date of

the payment. A factory shall not deny a claim or charge a new motor vehicle dealer back subsequent to the payment of the claim unless the factory can show that the claim was false or fraudulent or that the new motor vehicle dealer failed to reasonably substantiate the claim by the written reasonable procedures of the factory. A factory shall not deny a claim or implement a charge-back against a new motor vehicle dealer after payment of a claim in the event a purchaser of a new vehicle that is the subject of a claim fails to comply with titling or registration laws of this state and is not prevented from compliance by any action of the new motor vehicle dealer; provided, that the factory may require the new motor vehicle dealer to provide, within thirty (30) days of notice of charge-back, withholding of payment, or denial of claim, the documentation to demonstrate the vehicle sale, delivery, and customer qualification for an incentive as reported, including consumer name and address and written attestation signed by the dealer operator or general manager stating the consumer was not on the export control list and the dealer did not know or have reason to know the vehicle was being exported or resold.

The factory shall provide written notice to a dealer of a proposed charge-back that is the result of an audit along with the specific audit results and proposed charge-back amount. A dealer that receives notice of a proposed charge-back pursuant to a factory's audit has the right to file a protest with the Commission within thirty (30) days after receipt of the notice of the charge-back or audit results, whichever is later. The factory is prohibited from implementing the charge-back or debiting the dealer's account until either the time frame for filing a protest has passed or a final adjudication is rendered by the Commission, whichever is later, unless the dealer has agreed to the charge-back or charge-backs,

- c. fails to compensate the new motor vehicle dealer for a used motor vehicle:

- (1) that is of the same make and model manufactured, imported, or distributed by the factory and is a line-make that the new motor vehicle dealer is franchised to sell or on which the new motor vehicle dealer is authorized to perform recall repairs,
- (2) that is subject to a stop-sale or do-not-drive order issued by the factory or an authorized governmental agency,
- (3) that is held by the new motor vehicle dealer in the dealer's inventory at the time the stop-sale or do-not-drive order is issued or that is taken by the new motor vehicle dealer into the dealer's inventory after the recall notice as a result of a retail consumer trade-in or a lease return to the dealer inventory in accordance with an applicable lease contract,
- (4) that cannot be repaired due to the unavailability, within thirty (30) days after issuance of the stop-sale or do-not-drive order, of a remedy or parts necessary for the new motor vehicle dealer to make the recall repair, and
- (5) that is not at least in the prorated amount of one percent (1.00%) of the value of the vehicle per month beginning on the date that is thirty (30) days after the date on which the stop-sale order was provided to the new motor vehicle dealer until the earlier of either of the following:
 - (a) the date the recall remedy or parts are made available, or
 - (b) the date the new motor vehicle dealer sells, trades, or otherwise disposes of the affected used motor vehicle.

For the purposes of division (5) of this subparagraph, the value of a used vehicle shall be the average Black Book value for the year, make, and model of the recalled vehicle. A factory may direct the manner and method in which a new motor vehicle dealer must demonstrate the inventory status of an affected used motor vehicle to determine eligibility under this subparagraph; provided, that the manner and method may not be unduly burdensome and may not require information that is unduly burdensome to provide. All reimbursement claims made by new motor vehicle dealers pursuant to this section for recall remedies or repairs, or for compensation where no part or repair is reasonably available and the vehicle is subject to a stop-sale or do-not-drive order, shall be subject to the same limitations and requirements as a warranty reimbursement claim made under subparagraph b of this paragraph. In the alternative, a manufacturer may compensate its franchised new motor vehicle dealers under a national recall compensation program; provided, the compensation under the program is equal to or greater than that provided under division (5) of this subparagraph, or as the manufacturer and new motor vehicle dealer otherwise agree. Nothing in this section shall require a factory to provide total compensation to a new motor vehicle dealer which would exceed the total average Black Book value of the affected used motor vehicle as originally determined under division (5) of this subparagraph. Any remedy provided to a new motor vehicle dealer under this subparagraph is exclusive and may not be combined with any other state or federal compensation remedy,

- d. unreasonably fails or refuses to offer to its same line-make franchised dealers a reasonable supply and mix of all models manufactured for that line-make, or unreasonably requires a dealer to pay any extra fee, purchase unreasonable advertising displays or other materials, or enter into a separate agreement which adversely alters the rights or obligations contained within the new motor vehicle dealer's existing franchise agreement or which waives any right of the

new motor vehicle dealer as protected by Section 561 et seq. of this title, or remodel, renovate, or recondition the new motor vehicle dealer's existing facilities as a prerequisite to receiving a model or series of vehicles, except as may be necessary to sell or service the model or series of vehicles as provided by subparagraph e of this paragraph. It shall be a violation of this section for new vehicle allocation to be withheld subject to any requirement to purchase or sell any number of used or off-lease vehicles. The failure to deliver any such new motor vehicle shall not be considered a violation of the section if the failure is not arbitrary or is due to lack of manufacturing capacity or to a strike or labor difficulty, a shortage of materials, a freight embargo, or other cause over which the manufacturer has no control. However, this subparagraph shall not apply to recreational vehicles ~~or~~, limited production model vehicles, a vehicle not advertised by the factory for sale in this state, vehicles that are subject to allocation affected by federal environmental laws or environmental laws of this state, or vehicles allocated in response to an unforeseen event or circumstance,

- ~~d.~~ e. except as necessary to comply with a health or safety law, or to comply with a technology requirement which is necessary to sell or service a motor vehicle that the franchised new motor vehicle dealer is authorized or licensed by the franchisor to sell or service, requires a new motor vehicle dealer to construct a new facility or substantially renovate the new motor vehicle dealer's existing facility unless the facility construction or renovation is justified by the economic conditions existing at the time, as well as the reasonably foreseeable projections, in the new motor vehicle dealer's market and in the automotive industry. However, this subparagraph shall not apply if the ~~factory provides~~ new motor vehicle dealer voluntarily agrees to facility construction or renovation in exchange for money, credit, allowance, reimbursement, or additional vehicle allocation to a

new motor vehicle dealer from the factory to compensate the new motor vehicle dealer for the cost of, or a portion of the cost of, the facility construction or renovation. Except as necessary to comply with a health or safety law, or to comply with a technology or safety requirement which is necessary to sell or service a motor vehicle that the franchised new motor vehicle dealer is authorized or licensed by the franchisor to sell or service, a new motor vehicle dealer which completes a facility construction or renovation pursuant to factory requirements shall not be required to construct a new facility or renovate the existing facility if the same area of the facility or premises has been constructed or substantially altered within the last ten (10) years and the construction or alteration was approved by the manufacturer as a part of a facility upgrade program, standard, or policy. For purposes of this subparagraph, "substantially altered" means to perform an alteration that substantially impacts the architectural features, characteristics, or integrity of a structure or lot. The term shall not include routine maintenance reasonably necessary to maintain a dealership in attractive condition. If a facility upgrade program, standard, or policy under which the dealer completed a facility construction or substantial alteration does not contain a specific time period during which the manufacturer or distributor shall provide payments or benefits to a participating dealer, or the time frame specified under the program is reduced or canceled prematurely in the unilateral discretion of the manufacturer or distributor, the manufacturer or distributor shall not deny the participating dealer any payment or benefit under the terms of the program, standard, or policy as it existed when the dealer began to perform under the program, standard, or policy for the balance of the ten-year period, regardless of whether the manufacturer's or distributor's program, standard, or policy has been changed or canceled, unless the manufacturer and dealer agree, in writing, to the change in payment or benefit,

- e. f. requires a new motor vehicle dealer to establish an exclusive facility, unless supported by reasonable business, market, and economic considerations; provided, that this ~~provision~~ section shall not restrict the terms of any agreement for such exclusive facility voluntarily entered into and supported by valuable consideration separate from the new motor vehicle dealer's right to sell and service motor vehicles for the franchisor,
- f. g. requires a new motor vehicle dealer to enter into a site-control agreement covering any or all of the new motor vehicle dealer's facilities or premises; provided, that this ~~provision~~ section shall not restrict the terms of any site-control agreement voluntarily entered into and supported by valuable consideration separate from the new motor vehicle dealer's right to sell and service motor vehicles for the franchisor. Notwithstanding the foregoing or the terms of any site-control agreement, a site-control agreement automatically extinguishes if all of the factory's franchises that operated from the location that are the subject of the site-control agreement are terminated by the factory as part of the discontinuance of a product line, ~~or~~
- g. h. refuses to pay, or claims reimbursement from, a new motor vehicle dealer for sales, incentives, or other payments related to a motor vehicle sold by the new motor vehicle dealer because the purchaser of the motor vehicle exported or resold the motor vehicle in violation of the policy of the factory unless the factory can show that, at the time of the sale, the new motor vehicle dealer knew or reasonably should have known of the purchaser's intention to export or resell the motor vehicle. There is a rebuttable presumption that the new motor vehicle dealer did not know or could not have known that the vehicle would be exported if the vehicle is titled and registered in any state of the United States, or

- i. requires a new motor vehicle dealer to purchase goods or services for the construction, renovation, or improvement of the new motor vehicle dealer's facility from a vendor chosen by the factory if goods or services available from other sources are of substantially similar quality and design and comply with all applicable laws; provided, however, that such goods are not subject to the factory's intellectual property or trademark rights and the new motor vehicle dealer has received the factory's approval, which approval may not be unreasonably withheld. Nothing in this subparagraph may be construed to allow a new motor vehicle dealer to impair or eliminate a factory's intellectual property, trademark rights, or trade dress usage guidelines. Nothing in this section prohibits the enforcement of a voluntary agreement between the factory and the new motor vehicle dealer where separate and valuable consideration has been offered and accepted;

10. Being a factory that:

- a. establishes a system of motor vehicle allocation or distribution which is unfair, inequitable, or unreasonably discriminatory. Upon the request of any new motor vehicle dealer franchised by it, a factory shall disclose in writing to the new motor vehicle dealer the basis upon which new motor vehicles are allocated, scheduled, and delivered among the new motor vehicle dealers of the same line-make for that factory, or
- b. changes an established plan or system of motor vehicle distribution. A new motor vehicle dealer franchise agreement shall continue in full force and operation notwithstanding a change, in whole or in part, of an established plan or system of distribution of the motor vehicles offered or previously offered for sale under the franchise agreement. The appointment of a new importer or distributor for motor vehicles offered for sale under the franchise agreement shall be deemed to be a change of an established plan or system of

distribution. The discontinuation of a line-make shall not be deemed to be a change of an established plan or system of motor vehicle distribution. The creation of a line-make shall not be deemed to be a change of an established plan or system of motor vehicle distribution as long as the new line-make is not selling the same, or substantially the same vehicle or vehicles previously sold through another line-make by new motor vehicle dealers with an active franchise agreement for the other line-make in the state if such new motor vehicle dealers are no longer authorized to sell the comparable vehicle previously sold through their line-make. Changing a vehicle's powertrain is not sufficient to show it is substantially different. Upon the occurrence of such change, the manufacturer or distributor shall be prohibited from obtaining a license to distribute vehicles under the new plan or system of distribution unless the manufacturer or distributor offers to each new motor vehicle dealer who is a party to the franchise agreement a new franchise agreement containing substantially the same provisions which were contained in the previous franchise agreement;

11. Being a factory that sells directly or indirectly new motor vehicles to any retail consumer in the state except through a new motor vehicle dealer holding a franchise for the line-make that includes the new motor vehicle. This paragraph does not apply to factory sales of new motor vehicles to its employees, family members of employees, retirees and family members of retirees, not-for-profit organizations, or the federal, state, or local governments. The provisions of this paragraph shall not preclude a factory from providing information to a consumer for the purpose of marketing or facilitating a sale of a new motor vehicle or from establishing a program to sell or offer to sell new motor vehicles through participating dealers subject to the limitations provided in paragraph 2 of Section 562 of this title;

12. a. Being a factory which directly or indirectly:

- (1) owns any ownership interest or has any financial interest in a new motor vehicle dealer or any

person who sells products or services pursuant to the public terms of the franchise agreement,

- (2) operates or controls a new motor vehicle dealer,
or
 - (3) acts in the capacity of a new motor vehicle dealer.
- b.
- (1) This paragraph does not prohibit a factory from owning or controlling a new motor vehicle dealer while in a bona fide relationship with a dealer development candidate who has made a substantial initial investment in the franchise and whose initial investment is subject to potential loss. The dealer development candidate can reasonably expect to acquire full ownership of a new motor vehicle dealer within a reasonable period of time not to exceed ten (10) years and on reasonable terms and conditions. The ten-year acquisition period may be expanded for good cause shown.
 - (2) This paragraph does not prohibit a factory from owning, operating, controlling, or acting in the capacity of a new motor vehicle dealer for a period not to exceed twelve (12) months during the transition from one independent dealer to another independent dealer if the dealership is for sale at a reasonable price and on reasonable terms and conditions to an independent qualified buyer. On showing by a factory of good cause, the Oklahoma New Motor Vehicle Commission may extend the time limit set forth above; extensions may be granted for periods not to exceed twelve (12) months.
 - (3) This paragraph does not prohibit a factory from owning, operating, or controlling or acting in the capacity of a new motor vehicle dealer which was in operation prior to January 1, 2000.

- (4) This paragraph does not prohibit a factory from owning, directly or indirectly, a minority interest in an entity that owns, operates, or controls motor vehicle dealerships of the same line-make franchised by the manufacturer, provided that each of the following conditions are met:
- (a) all of the new motor vehicle dealerships selling the motor vehicles of that manufacturer in this state trade exclusively in the line-make of that manufacturer,
 - (b) all of the franchise agreements of the manufacturer confer rights on the dealer of the line-make to develop and operate, within a defined geographic territory or area, as many dealership facilities as the dealer and manufacturer shall agree are appropriate,
 - (c) at the time the manufacturer first acquires an ownership interest or assumes operation, the distance between any dealership thus owned or operated and the nearest unaffiliated new motor vehicle dealership trading in the same line-make is not less than seventy (70) miles,
 - (d) during any period in which the manufacturer has such an ownership interest, the manufacturer has no more than three franchise agreements with new motor vehicle dealers licensed by the Oklahoma New Motor Vehicle Commission to do business within the state, and
 - (e) prior to January 1, 2000, the factory shall have furnished or made available to prospective new motor vehicle dealers an ~~offering-circular~~ offering circular in accordance with the Trade Regulation Rule on Franchising of the Federal Trade Commission,

and any guidelines and exemptions issued thereunder, which disclose the possibility that the factory may from time to time seek to own or acquire, directly or indirectly, ownership interests in retail dealerships;

13. Being a factory which directly or indirectly makes available for public disclosure any proprietary information provided to the factory by a new motor vehicle dealer, other than in composite form to new motor vehicle dealers in the same line-make or in response to a subpoena or order of the Commission or a court. Proprietary information includes, but is not limited to, information:

- a. derived from monthly financial statements provided to the factory, and
- b. regarding any aspect of the profitability of a particular new motor vehicle dealer;

14. Being a factory which does not provide or direct leads in a fair, equitable, and timely manner. Nothing in this paragraph shall be construed to require a factory to disregard the preference of a consumer in providing or directing a lead;

15. Being a factory which used the ~~customer~~ consumer list of a new motor vehicle dealer for the purpose of unfairly competing with dealers;

16. Being a factory which prohibits a new motor vehicle dealer from relocating after a written request by such new motor vehicle dealer if:

- a. the facility and the proposed new location satisfies or meets the written reasonable guidelines of the factory. Reasonable guidelines do not include exclusivity or site control unless agreed to as set forth in subparagraphs e f and g of paragraph 9 of this subsection,

- b. the proposed new location is within the area of responsibility of the new motor vehicle dealer pursuant to Section 578.1 of this title, and
- c. the factory has sixty (60) days from receipt of the new motor vehicle dealer's relocation request to approve or deny the request. The failure to approve or deny the request within the sixty-day time frame shall constitute approval of the request;

17. Being a factory which prohibits a new motor vehicle dealer from adding additional line-makes to its existing facility, if, after adding the additional line-makes, the facility satisfies the written reasonable capitalization standards and facility guidelines of each factory. Reasonable facility guidelines do not include a requirement to maintain exclusivity or site control unless agreed to by the dealer as set forth in subparagraphs e f and f g of paragraph 9 of this subsection;

18. Being a factory that increases prices of new motor vehicles which the new motor vehicle dealer had ordered for retail consumers and notified the factory prior to the new motor vehicle dealer's receipt of the written official price increase notification. A sales contract signed by a retail consumer accompanied with proof of order submission to the factory shall constitute evidence of each such order, provided that the vehicle is in fact delivered to the ~~customer~~ consumer. Price differences applicable to new models or series motor vehicles at the time of the introduction of new models or series shall not be considered a price increase for purposes of this paragraph. Price changes caused by any of the following shall not be subject to the provisions of this paragraph:

- a. the addition to a motor vehicle of required or optional equipment pursuant to state or federal law,
- b. revaluation of the United States dollar in the case of foreign-made vehicles or components, or
- c. an increase in transportation charges due to increased rates imposed by common or contract carriers;

19. Being a factory that requires a new motor vehicle dealer to participate monetarily in an advertising campaign or contest, or purchase any promotional materials, showroom, or other display decoration or materials at the expense of the new motor vehicle dealer without consent of the new motor vehicle dealer, which consent shall not be unreasonably withheld;

20. Being a factory that denies any new motor vehicle dealer the right of free association with any other new motor vehicle dealer for any lawful purpose, unless otherwise permitted by this chapter; or

21. Being a factory that requires a new motor vehicle dealer to sell, offer to sell, or sell exclusively an extended service contract, extended maintenance plan, or similar product, such as gap products offered, endorsed, or sponsored by the factory by the following means:

- a. by an act or statement from the factory that will in any manner adversely impact the new motor vehicle dealer, or
- b. by measuring the new motor vehicle dealer's performance under the franchise based on the sale of extended service contracts, extended maintenance plans, or similar products offered, endorsed, or sponsored by the manufacturer or distributor.

B. Notwithstanding the terms of any franchise agreement, in the event of a proposed sale or transfer of a dealership, the manufacturer or distributor shall be permitted to exercise a right of first refusal to acquire the assets or ownership interest of the dealer of the new motor vehicle dealership, if such sale or transfer is conditioned upon the manufacturer or dealer entering into a dealer agreement with the proposed new owner or transferee, only if all the following requirements are met:

1. To exercise its right of first refusal, the factory must notify the new motor vehicle dealer in writing within sixty (60) days of receipt of the completed proposal for the proposed sale transfer;

2. The exercise of the right of first refusal will result in the new motor vehicle dealer and the owner of the dealership receiving the same or greater consideration as they have contracted to receive in connection with the proposed change of ownership or transfer;

3. The proposed sale or transfer ~~of the assets~~ of the dealership does not involve the transfer or sale to a member or members of the family of one or more dealer owners, or to a qualified manager or a partnership or corporation controlled by such persons; and

4. The factory agrees to pay the reasonable expenses, including attorney fees which do not exceed the usual, customary, and reasonable fees charged for similar work done for other clients incurred by the proposed new owner and transferee prior to the exercise by the factory of its right of first refusal in negotiating and implementing the contract for the proposed sale or transfer of the dealership or dealership assets. Notwithstanding the foregoing, no payment of expenses and attorney fees shall be required if the proposed new dealer or transferee has not submitted or caused to be submitted an accounting of those expenses within thirty (30) days of receipt of the written request of the factory for such an accounting. The accounting may be requested by a factory before exercising its right of first refusal.

C. Nothing in this section shall prohibit, limit, restrict, or impose conditions on:

1. Business activities, including without limitation the dealings with motor vehicle manufacturers and the representatives and affiliates of motor vehicle manufacturers, of any person that is primarily engaged in the business of short-term, not to exceed twelve (12) months, rental of motor vehicles and industrial and construction equipment and activities incidental to that business, provided that:

- a. any motor vehicle sold by that person is limited to used motor vehicles that have been previously used exclusively and regularly by that person in the conduct of business and used motor vehicles traded in on motor vehicles sold by that person,

- b. warranty repairs performed by that person on motor vehicles are limited to those motor vehicles that ~~it~~ the person owns, previously owned, or takes in trade, and
- c. motor vehicle financing provided by that person to retail consumers for motor vehicles is limited to used vehicles sold by that person in the conduct of business; or

2. The direct or indirect ownership, affiliation, or control of a person described in paragraph 1 of this subsection.

D. As used in this section:

1. "Substantially relates" means the nature of criminal conduct for which the person was convicted has a direct bearing on the fitness or ability to perform one or more of the duties or responsibilities necessarily related to the occupation; and

2. "Poses a reasonable threat" means the nature of criminal conduct for which the person was convicted involved an act or threat of harm against another and has a bearing on the fitness or ability to serve the public or work with others in the occupation.

E. Nothing in this section shall prohibit a manufacturer or distributor from requiring a dealer to be in compliance with the franchise agreement and authorized to sell a make and model based on applicable reasonable standards and requirements that include but are not limited to any facility, technology, or training requirements necessary to sell or service a vehicle, in order to be eligible for delivery or allotment of a make or model of a new motor vehicle or an incentive.

SECTION 9. AMENDATORY 47 O.S. 2021, Section 565.1, is amended to read as follows:

Section 565.1. A. For the purposes of this section, "designated successor" means a person who the new motor vehicle dealer has designated to take over operation of the dealership or a

legal heir or devisee under the will of a new motor vehicle dealer or under the laws of descent and distribution of this state.

B. Notwithstanding the terms of any franchise agreement, and subject to the following conditions contained in paragraphs 1 through 5 of this ~~section~~ subsection, any manufacturer or distributor who prevents or refuses to honor the succession to the operation of a dealership by any legal heir or devisee under the will of a new motor vehicle dealer or under the laws of descent and distribution of this state a designated successor without good cause or good faith, as defined in this section, shall be subject to the following procedure:

1. Within one hundred twenty (120) days after the death or departure of the new motor vehicle dealer, the manufacturer shall receive a written notice from ~~any legal heir or devisee~~ the dealership of the designated successor who intends to establish a become the successor dealership operator. If timely notice is not ~~so~~ received, ~~then~~ this paragraph shall not apply, and any succession shall be governed solely by the terms of the franchise;

2. Within thirty (30) days of receipt of the ~~legal heir's or devisee's dealership's~~ timely written notice, the manufacturer may request, and the ~~legal heir or devisee~~ designated successor shall, within a reasonable time, provide any information which is reasonably necessary for the manufacturer to evaluate the proposed designated successor dealer and dealership, including, ~~but not limited to,~~ applications, ~~proposals for facilities~~ and financing;

3. Within sixty (60) days of receipt of such information, the manufacturer shall approve or disapprove the proposed designated successor dealership dealer, and in case of disapproval shall communicate in writing such disapproval and grounds for disapproval to the ~~legal heir or devisee~~ dealership;

4. Failure of the manufacturer to act in a timely manner with respect to any time period described above shall constitute a waiver of the manufacturer's right to disapprove the proposed succession; and

5. Within ten (10) days of ~~its~~ the dealership's receipt of the manufacturer's notice of disapproval, the ~~legal heir or devisee~~

dealership may file a protest of the manufacturer's decision with the Oklahoma New Motor Vehicle Commission and request a hearing. Such hearing shall be heard in a substantially similar manner as provided by Section 566 of this title, except that the Commission shall render a final decision within sixty (60) days of the filing of the protest. The manufacturer shall have the burden of proof to show that its disapproval was for a good cause and in good faith. A denial shall not be for good cause and in good faith unless the factory establishes that the ~~legal heir or devisee, or the legal heir or devisee's controlling executive management,~~ designated successor is not of good moral character or fails to meet the written, reasonable, and uniformly applied requirements of the manufacturer or distributor relating to financial qualifications, general business experience, and other requirements relating to prospective franchisees. However, a ~~legal heir that~~ a designated successor who is a family member and who is of good moral character in accordance with the factory's reasonable factory qualifications and meets the factory's financial qualifications may rely on controlling executive management that is of good moral character and meets the factory's qualifications for general business experience ~~and other requirements relating to prospective franchises.~~ Any denial of the designated successor based upon a failure to agree to terms other than those contained in the existing franchise agreement, related addendums and agreements, and any written notice provided to the existing dealer prior to the manufacturer's or distributor's receipt of any written notice from the existing dealer of the proposed transfer shall not be considered good cause for such denial. However, any proposed change to the franchise pursuant to written notice from the manufacturer or distributor, to be valid, must be in compliance with existing law. The disapproval by the manufacturer shall be final if the ~~legal heir or devisee dealership~~ fails to file a timely protest of ~~such~~ the disapproval. In the event that the Commission finds that the manufacturer's disapproval was not made for good cause, then it shall issue a final order requiring the manufacturer to honor the successor designated in the notice sent by the ~~legal heir or devisee dealership.~~

Notwithstanding anything to the contrary in this section, a new motor vehicle dealer may designate any person as successor by filing a written instrument pursuant to the franchise with the manufacturer during the new motor vehicle dealer's lifetime. In such a case, the written instrument and franchise shall govern the dealership succession.

The suspension, revocation, or refusal to issue or renew a license or the imposition of any other penalty by the Commission shall be in addition to any penalty which might be imposed upon any licensee upon judgment or conviction in a court of competent jurisdiction for any violation of the provisions of Sections 561 through 567, 572, 578.1, 579, and 579.1 of this title.

SECTION 10. AMENDATORY 47 O.S. 2021, Section 565.2, is amended to read as follows:

Section 565.2. A. Irrespective of the terms, provisions, or conditions of any franchise, or the terms or provisions of any waiver, no manufacturer shall terminate, cancel, or fail to renew any franchise with a licensed new motor vehicle dealer unless the manufacturer has satisfied the notice requirements as provided in this section and has good cause for cancellation, termination, or nonrenewal. The manufacturer shall not attempt to cancel or fail to renew the franchise agreement of a new motor vehicle dealer in this state unfairly and without just provocation or without due regard to the equities of the dealer or without good faith as defined herein. As used herein, "good faith" means the duty of each party to any franchise agreement to act in a fair and equitable manner toward each other, with freedom from coercion or intimidation or threats thereof from each other.

B. Irrespective of the terms, provisions, or conditions of any franchise, or the terms or provisions of any waiver, good cause shall exist for the purpose of a termination, cancellation, or nonrenewal when:

1. The new motor vehicle dealer has failed to comply with a provision of the franchise, which provision is both reasonable and of material significance to the franchise relationship, or the new motor vehicle dealer has failed to comply with reasonable performance criteria for sales or service established by the manufacturer, and the new motor vehicle dealer has been notified by written notice from the manufacturer; and

2. The new motor vehicle dealer has received written notification of failure to comply with the manufacturer's reasonable sales performance standards, capitalization requirements, facility

commitments, ~~business-related~~ business-related equipment acquisitions, or other such remediable failings exclusive of those reasons enumerated in paragraph 1 of subsection C of this section, and the new motor vehicle dealer has been afforded a reasonable opportunity of not less than six (6) months to comply with such a provision or criteria.

C. Irrespective of the terms, provisions, or conditions of any franchise agreement prior to the termination, cancellation, or nonrenewal of any franchise, the manufacturer shall furnish notification of such termination, cancellation, or nonrenewal to the new motor vehicle dealer and the Oklahoma New Motor Vehicle Commission as follows:

1. Not less than ninety (90) days prior to the effective date of ~~such~~ the termination, cancellation, or nonrenewal unless for a cause described in paragraph 2 of this subsection;

2. Not less than fifteen (15) days prior to the effective date of ~~such~~ the termination, cancellation, or nonrenewal with respect to any of the following:

- a. insolvency of the new motor vehicle dealer, or the filing of any petition by or against the new motor vehicle dealer under any bankruptcy or receivership law,
- b. failure of the new motor vehicle dealer to conduct its customary sales and service operations during its customary business hours for seven (7) consecutive business days, provided that such failure to conduct business shall not be due to an act of God or circumstances beyond the direct control of the new motor vehicle dealer, or
- c. conviction of the new motor vehicle dealer of any felony which is punishable by imprisonment or a violation of the Federal Odometer Act; and

3. Not less than one hundred eighty (180) days prior to the effective date of ~~such~~ the termination or cancellation where the

manufacturer or distributor is discontinuing the sale of the product line.

The notification required by this subsection shall be by certified mail, return receipt requested, and shall contain a statement of intent to terminate, to cancel, or to not renew the franchise, a statement of the reasons for the termination, cancellation, or nonrenewal and the date the termination shall take effect.

D. Upon the affected new motor vehicle dealer's receipt of the aforementioned notice of termination, cancellation, or nonrenewal, the new motor vehicle dealer shall have the right to file a protest of such threatened termination, cancellation, or nonrenewal with the Commission within thirty (30) days and request a hearing. ~~Such~~ The hearing shall be held within one hundred eighty (180) days of the date of the timely protest by the dealer and in accordance with the provisions of the Administrative Procedures Act, Sections 301 250 through 326 323 of Title 75 of the Oklahoma Statutes, to determine if the threatened cancellation, termination, or nonrenewal of the franchise has been for good cause and if the factory has complied with its obligations pursuant to subsections A, B, and C of this section and the factory shall have the burden of proof. Either party may request an additional one-hundred-eighty-day extension of the hearing date from the Commission. Approval of the requested extension may not be unreasonably withheld or delayed. If the Commission finds that the threatened cancellation, termination, or nonrenewal of the franchise has not been for good cause or violates subsection A, B, or C of this section, then it shall issue a final order stating that the threatened termination is wrongful. A factory shall have the right to appeal such order. During the pendency of the hearing and after the decision, the franchise shall remain in full force and effect, including the right to transfer the franchise. If the Commission finds that the threatened cancellation, termination, or nonrenewal is for good cause and does not violate subsection A, B, or C of this section, the new motor vehicle dealer shall have the right to an appeal. During the pendency of the action, including the final decision or appeal, the franchise shall remain in full force and effect, including the right to transfer the franchise. If the new motor vehicle dealer prevails in the threatened termination action, the Commission shall award to

the new motor vehicle dealer the attorney fees and costs incurred to defend the action.

E. If the factory prevails in an action to terminate, cancel, or not renew any franchise, the new motor vehicle dealer shall be allowed fair and reasonable compensation by the manufacturer for:

1. New, current, and previous model year vehicle inventory which has been acquired from the manufacturer, and which is unused and has not been damaged or altered while in the new motor vehicle dealer's possession;

2. Supplies and parts which have been acquired from the manufacturer, for the purpose of this section, limited to any and all supplies and parts that are listed on the current parts price sheet available to the new motor vehicle dealer;

3. Equipment and furnishings, provided the new motor vehicle dealer purchased them from the manufacturer or its approved sources; and

4. Special tools, with such fair and reasonable compensation to be paid by the manufacturer within ninety (90) days of the effective date of the termination, cancellation, or nonrenewal, provided the new motor vehicle dealer has clear title to the inventory and other items and is in a position to convey that title to the manufacturer.

- a. For the purposes of paragraph 1 of this subsection, fair and reasonable compensation shall be no less than the net acquisition price of the vehicle paid by the new motor vehicle dealer.
- b. For the purposes of paragraphs 2, 3, and 4 of this subsection, fair and reasonable compensation shall be the net acquisition price paid by the new motor vehicle dealer less a twenty-percent (20%) straight-line depreciation for each year following the dealer's acquisition of the supplies, parts, equipment, furnishings, and/or special tools.

F. If a factory prevails in an action to terminate, cancel, or not renew any franchise and the new motor vehicle dealer is leasing

the dealership facilities, the manufacturer shall pay a reasonable rent to the lessor in accordance with and subject to the provisions of subsection G of this section. Nothing in this section shall be construed to relieve a new motor vehicle dealer of its duty to mitigate damages.

G. 1. Such reasonable rental value shall be paid only to the extent the dealership premises are recognized in the franchise and only if they are:

- a. used solely for performance in accordance with the franchise. If the facility is used for the operation of more than one franchise, the reasonable rent shall be paid based upon the portion of the facility utilized by the franchise being terminated, canceled, or nonrenewed, and
- b. not substantially in excess of facilities recommended by the manufacturer.

2. If the facilities are owned by the new motor vehicle dealer, within ninety (90) days following the effective date of the termination, cancellation, or nonrenewal, the manufacturer will either:

- a. locate a qualified purchaser who will offer to purchase the dealership facilities at a reasonable price,
- b. locate a qualified lessee who will offer to lease the premises for the remaining lease term at the rent set forth in the lease, or
- c. failing the foregoing, lease the dealership facilities at a reasonable rental value for the portion of the facility that is recognized in the franchise agreement for one (1) year.

3. If the facilities are leased by the new motor vehicle dealer, within ninety (90) days following the effective date of the termination, cancellation, or nonrenewal the manufacturer will either:

- a. locate a tenant or tenants satisfactory to the lessor, who will sublet or assume the balance of the lease,
- b. arrange with the lessor for the cancellation of the lease without penalty to the new motor vehicle dealer, or
- c. failing the foregoing, lease the dealership facilities at a reasonable rent for the portion of the facility that is recognized in the franchise agreement for one (1) year.

4. The manufacturer shall not be obligated to provide assistance under this section if the new motor vehicle dealer:

- a. fails to accept a bona fide offer from a prospective purchaser, ~~subleases~~ sublessee, or assignee,
- b. refuses to execute a settlement agreement with the lessor if such agreement with the lessor would be without cost to the new motor vehicle dealer, or
- c. fails to make written request for assistance under this section within ninety (90) days after the effective date of the termination, cancellation, or nonrenewal.

5. The manufacturer shall be entitled to occupy and use any space for which it pays rent required by this section.

H. In addition to the repurchase requirements set forth in subsections E and G of this section, in the event the termination or cancellation is the result of a discontinuance of a product line, the manufacturer or distributor shall compensate the new motor vehicle dealer in an amount equivalent to the fair market value of the terminated franchise as of the date ~~of~~ immediately preceding the manufacturer's or distributor's announcement or provide the new motor vehicle dealer with a replacement franchise on substantially similar terms and conditions as those offered to other same line-make dealers. The new motor vehicle dealer may immediately request payment under this ~~provision~~ section following the announcement in

exchange for ~~cancelling~~ canceling any further franchise rights, except payments owed to the new motor vehicle dealer in the ordinary course of business, or may request payment under this ~~provision~~ section upon the final termination, cancellation, or nonrenewal of the franchise. In either case, payment under this ~~provision~~ section shall be made not later than ninety (90) days after the fair market value is determined. If the factory and new motor vehicle dealer cannot agree on the fair market value of the terminated franchise or agree to a process to determine the fair market value, then the factory and new motor vehicle dealer shall utilize a neutral ~~third party~~ third-party mediator to resolve the disagreement.

SECTION 11. AMENDATORY 47 O.S. 2021, Section 565.3, is amended to read as follows:

Section 565.3. A. A franchised vehicle dealer proposing a sale, transfer, or assignment of a franchise agreement or the business and assets of a dealership or an interest in a dealership to another person, hereinafter transferee, shall notify the manufacturer or distributor whose vehicles the dealer is franchised to sell of the proposed action of the dealer. The manufacturer or distributor may make written request to the proposed transferee to submit completed application forms and related information generally utilized by a manufacturer to evaluate such a proposal and a copy of all agreements related to the proposed sale, transfer, or assignment.

B. The approval by the manufacturer or distributor of the sale, transfer, or assignment shall not be unreasonably withheld unless the proposed transferee is not of good moral character or fails to meet the written, reasonable, and uniformly applied requirements of the manufacturer or distributor relating to prospective franchisees. Approval of the transfer shall not be made contingent upon the transferee meeting unreasonable facility requirements or performance standards, ~~but may be made contingent upon the transferee meeting reasonable written requirements~~ different than those contained in the transferor's franchise agreement and related addendum and agreements, and any written notices provided to the existing dealer prior to the manufacturer's or distributor's receipt of any written notice from the existing dealer of the proposed transfer. However, to be valid, any proposed change to the franchise pursuant to written notice from the manufacturer or distributor shall be in

compliance with existing law. The burden of proof shall be upon the manufacturer or distributor to show good cause existed to withhold approval. The manufacturer or distributor that has made such a determination shall send a letter by certified mail to the dealer and the applicant of its refusal to approve the proposal, which shall include a statement of the specific grounds for refusal, within sixty (60) days after the later of:

1. Receipt by the manufacturer or distributor of the notice of the proposed sale, transfer, or assignment; or

2. Receipt by the manufacturer or distributor of the information requested from the proposed transferee pursuant to subsection A of this section if the manufacturer or distributor has requested such information within fifteen (15) days of receipt of written notice of the proposed sale, transfer, or assignment.

C. Failure of the manufacturer or distributor to send its notice of refusal pursuant to subsection B of this section shall mean that the application for the proposed sale, transfer, or assignment is approved.

D. If the proposed sale, transfer, or assignment is to an existing owner's family member or other existing owner, the manufacturer or distributor's evaluation of the proposal is limited to the written, reasonable, and uniformly applied requirements of the manufacturer or distributor relating to good moral character and financial qualifications. Notwithstanding the foregoing, a change in dealer operator shall be addressed pursuant to the provisions of section 565.1 of this title.

E. ~~A dealer dealership or dealership owner receiving notice of refusal of the sale, transfer, or assignment shall have the right to file a protest with the Oklahoma New Motor Vehicle Commission within thirty (30) days of receipt of the refusal. A dealer receiving notice that the sale, transfer or assignment is contingent upon the transferee meeting facility and/or performance standards shall have the right to file a protest with the Commission within thirty (30) days of receipt of the notice.~~ In the event a protest is filed, the manufacturer or distributor shall have the burden of proof to establish the proposed transferee or the proposed transferee's controlling executive management is not of good moral character or

fails to meet the written reasonable and uniformly applied requirements of the manufacturer or distributor relating to prospective franchisees or that the facility requirements are not ~~reasonable based on the reasons set forth in subparagraph d of paragraph 9 of Section 565 of this title~~ different than those contained in the transferor's franchise agreement.

F. Notwithstanding any other provision of this section, the dealer shall submit a signed copy of the dealer sales and service agreement resulting from any completed sale, transfer, or assignment of a franchise to the Oklahoma New Motor Vehicle Commission within fifteen (15) business days.

SECTION 12. AMENDATORY 47 O.S. 2021, Section 566, is amended to read as follows:

Section 566. The Oklahoma New Motor Vehicle Commission may deny any application for license, or suspend or revoke a license issued or impose a fine, only after a hearing of which the applicant, or licensee affected, shall be given at least ten (10) days' written notice specifying the reason for denying the applicant a license, or, in the case of a revocation or suspension or imposition of a fine, the offenses of which the licensee is charged. ~~Such~~ The notices may be served as provided by law for the service of notices, or mailing a copy by registered mail to the last-known residence or business address of ~~such~~ the applicant or licensee. The hearing on ~~such~~ the charges shall be at such time and place as the Commission may prescribe and the aforementioned notice shall further specify the time and place. If ~~such~~ the applicant or licensee is a motor vehicle salesperson, factory representative, or distributor representative, the Commission shall in like manner also notify the person, firm, association, corporation, or trust with whom he or she is associated, or in whose association he or she is about to enter. The Commission shall have the power to compel the production of all records, papers, and other documents which may be deemed relevant to the proceeding bearing upon the complaints. The Commission shall have the power to subpoena and bring before it any person, or take testimony of any such person by deposition, with the same fees and mileage and in the same manner as prescribed in proceedings before courts of the state in civil cases. Any party to ~~such~~ the hearing shall have the right to the attendance of witnesses in his or her

behalf upon designating to the Commission the person or persons sought to be subpoenaed.

SECTION 13. AMENDATORY 47 O.S. 2021, Section 566.1, is amended to read as follows:

Section 566.1. All rulings, orders, decisions, procedures, or acts of the Oklahoma New Motor Vehicle Commission shall be subject to the provisions of the Administrative Procedures Act, Sections ~~301~~ 250 through ~~326~~ 323 of Title 75 of the Oklahoma Statutes.

SECTION 14. AMENDATORY 47 O.S. 2021, Section 567, is amended to read as follows:

Section 567. The Oklahoma New Motor Vehicle Commission is hereby authorized, without cost bond or deposit, to institute injunctive actions in courts of competent jurisdiction, in the name of ~~the State of Oklahoma~~ this state on the relation of the Commission, to enforce the provisions of Sections 561 through 567, 572, 578.1, 579, and 579.1 of this title. Any licensee or other person who violates or threatens to violate any provision of this chapter or rule promulgated thereunder or order of the Commission may be enjoined from so doing.

SECTION 15. AMENDATORY 47 O.S. 2021, Section 576, is amended to read as follows:

Section 576. There is hereby created a petty cash fund not to exceed One Hundred Dollars (\$100.00) for the Oklahoma New Motor Vehicle Commission, which may be expended for small authorized expenses of the Commission.

SECTION 16. AMENDATORY 47 O.S. 2021, Section 578.1, is amended to read as follows:

Section 578.1. A. Notwithstanding the terms of a franchise and notwithstanding the terms of a waiver, if a factory intends or proposes to enter into a franchise to establish an additional new motor vehicle dealer or to relocate an existing new motor vehicle dealer within or into a relevant market area in which the same line-make of motor vehicle is currently represented, the factory shall provide at least sixty (60) days advance written notice to the

Commission and to each new motor vehicle dealer of the same line-make in the relevant market area, of the intention of the factory to establish an additional new motor vehicle dealer or to relocate an existing new motor vehicle dealer within or into the relevant market area. For purposes of this section, the "relevant market area" means the area within a radius of fifteen (15) miles ~~of~~ around the site of the proposed new motor vehicle dealership measured from the property boundary of primary dealership property. The notice shall be sent by certified mail to each party and shall include the following information:

1. The specific location at which the additional or relocated new motor vehicle dealer will be established;

2. The date on or after which the additional or relocated new motor vehicle dealer intends to commence business at the proposed location;

3. The identity of all new motor vehicle dealers who are franchised to sell the same line-make vehicles as the proposed new motor vehicle dealer and who have licensed locations within the relevant market area;

4. The names and addresses of the person intended to be franchised as the proposed additional or relocated new motor vehicle dealership, the principal investors in the proposed additional or relocated new motor vehicle dealership, and the proposed dealer operator of the proposed additional or relocated new motor vehicle dealership; and

5. The specific grounds or reasons for the proposed establishment of an additional new motor vehicle dealer or relocation of an existing new motor vehicle dealer.

B. ~~This section does not apply~~ The notification requirements prescribed in subsection A of this section shall not apply if:

1. ~~To the~~ The relocation of an existing new motor vehicle dealer is within the relevant market area of that dealer; provided, that the relocation not be at a site within ten (10) miles of a licensed new motor vehicle dealer for the same line-make of motor vehicle;

2. ~~To a~~ A proposed additional new motor vehicle dealer which is to be established at or within two (2) miles of a location at which a former licensed new motor vehicle dealer for the same line-make of new motor vehicle had ceased operating within the previous two (2) years;

3. ~~To the~~ The relocation of an existing new motor vehicle dealer is within two (2) miles of the existing site of the new motor vehicle dealership; or

4. ~~To the~~ The proposed site for the relocation of an existing new motor vehicle dealer ~~if the proposed site of the relocated new motor vehicle dealership~~ is farther away from all other new motor vehicle dealers of the same line-make in that relevant market area.

C. Within thirty (30) days after receipt of the notice, or within thirty (30) days after the end of an appeal procedure provided by the factory, whichever is greater, a new motor vehicle dealer so notified or entitled to notice may file a petition with the Commission protesting the proposed establishment or relocation. The petition shall contain a short statement setting forth the reasons for the objection of the new motor vehicle dealer to the proposed establishment or relocation. Upon filing of a protest, the Commission shall promptly notify the factory that a timely protest has been filed and shall schedule a hearing, which shall be held within one hundred twenty (120) days of the filing of a timely protest. The factory shall not establish or relocate the new motor vehicle dealer until the Commission has held a hearing and has determined that there is good cause for permitting the proposed establishment or relocation. When more than one protest is filed against the establishment or relocation of the same dealer, the Commission shall consolidate the hearings to expedite disposition of the matter.

D. The burden of proof to establish that good cause exists for permitting the proposed establishment of a new motor vehicle dealer or relocating an existing new motor vehicle dealership shall be on the applicant who seeks to establish a new motor vehicle dealership or the relocation of an existing new motor vehicle dealership.

SECTION 17. AMENDATORY 47 O.S. 2021, Section 579, is amended to read as follows:

Section 579. In determining whether good cause has been established for permitting the proposed establishment or relocation of an additional franchise for the same line-make, the Oklahoma New Motor Vehicle Commission shall take into consideration, and must be persuaded, that good cause exists for entering into or relocating an additional franchise for the same line-make by the greater weight of facts and the existing circumstances, including, but not limited to:

1. Permanency of the investment of the proposed dealership;
2. Effect on the retail new motor vehicle business and the consuming public in the relevant market area;
3. Whether it is injurious to the public welfare for an additional new motor vehicle dealership to be established;
4. Whether the new motor vehicle dealers of the same line-make in that relevant market area are providing adequate competition and convenient consumer care for the motor vehicle sales and service facilities, equipment, supply of motor vehicle parts, and qualified service personnel; and
5. Whether the establishment of an additional new motor vehicle dealership would increase competition, and therefore be in the public interest.

SECTION 18. AMENDATORY 47 O.S. 2021, Section 580.2, is amended to read as follows:

Section 580.2. During the time a person is operating a motor vehicle with the express or implied permission of ~~an authorized a~~ a new motor vehicle dealer, as defined in Section 562 of this title, such person's motor vehicle liability policy shall have primary coverage with the motor vehicle liability policy of the new motor vehicle dealer having secondary coverage until the vehicle is returned. As used herein, "motor vehicle liability policy" means motor vehicle insurance against legal liability for the death, injury, or disability of any human being, or for damage to real or personal property. The motor vehicle liability policy of any person

who has been loaned a vehicle by a new motor vehicle dealer pursuant to the terms of this section shall provide primary coverage for any death or injury of any human being or for any real or personal property damage, including damage to the loaned vehicle, with the motor vehicle insurance policy of the new motor vehicle dealer having secondary coverage for any death or injury of any human being or for any real or personal property damage, including damage to the loaned vehicle. The change in financial responsibility shall be evidenced by a release signed by the person operating the vehicle with the express or implied permission of the new motor vehicle dealer with the release to be returned to the person upon the return of the motor vehicle to the new motor vehicle dealer. The motor vehicle liability policy of such person shall meet the minimum financial responsibility requirements found in Section 7-324 of this title.

This section shall apply only to the loan of a motor vehicle by ~~an authorized~~ a new motor vehicle dealer which ~~loan~~ occurs without financial remuneration in the form of a fee or lease charge.

SECTION 19. AMENDATORY 47 O.S. 2021, Section 583, as amended by Section 3, Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022, Section 583), is amended to read as follows:

Section 583. A. 1. It shall be unlawful and constitute a misdemeanor for any person to engage in business as, or serve in the capacity of, or act as a used motor vehicle dealer, wholesale used motor vehicle dealer, manufactured home dealer, restricted manufactured home park dealer, manufactured home installer, or manufactured home manufacturer selling directly to a licensed manufactured home dealer in this state without first obtaining a license or following other requirements therefor as provided in this section.

2. a. Any person engaging, acting, or serving in the capacity of a used motor vehicle dealer, a manufactured home dealer, restricted manufactured home park dealer, a manufactured home installer, or a manufactured home manufacturer, or having more than one place where any such business, or combination of businesses, is carried on or conducted shall be

required to obtain and hold a current license for each such business, in which engaged.

- b. If after a hearing in accordance with the provisions of Section 585 of this title, the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission shall find any person installing a mobile or manufactured home to be in violation of any of the provisions of ~~this act~~ Section 581 et seq. of this title, such person may be subject to an administrative fine ~~of~~ not more than Five Hundred Dollars (\$500.00) for each violation. Each day a person is in violation of ~~this act~~ Section 581 et seq. of this title may constitute a separate violation. All administrative fines collected pursuant to the provisions of this subparagraph shall be deposited in the fund established in Section 582 of this title. Administrative fines imposed pursuant to this subparagraph may be enforceable in the district courts of this state.

3. Any person, except persons penalized by administrative fine, violating the provisions of this section shall, upon conviction, be punished by a fine not to exceed Five Hundred Dollars (\$500.00). A second or subsequent conviction shall be punished by a fine not to exceed One Thousand Dollars (\$1,000.00); provided that each day such unlicensed person violates this section shall constitute a separate offense, and any vehicle involved in a violation of this subsection shall be considered a separate offense.

B. 1. Applications for licenses required to be obtained under the provisions of the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission shall be verified by the oath or affirmation of the applicant and shall be on forms prescribed by the Commission and furnished to the applicants, and shall contain such information as the Commission deems necessary to enable it to fully determine the qualifications and eligibility of the several applicants to receive the license or licenses applied for. The Commission shall require in the application, or otherwise, information relating to:

- a. the applicant's financial standing,

- b. the applicant's business integrity,
- c. whether the applicant has an established place of business and is engaged in the pursuit, avocation, or business for which a license, or licenses, is applied for,
- d. whether the applicant is able to properly conduct the business for which a license, or licenses, is applied for, and
- e. such other pertinent information consistent with the safeguarding of the public interest and the public welfare.

2. All applications for license or licenses shall be accompanied by the appropriate fee or fees in accordance with the schedule hereinafter provided. In the event any application is denied and the license applied for is not issued, the entire license fee shall be returned to the applicant.

3. All bonds and licenses issued under the provisions of ~~this act~~ Section 581 et seq. of this title shall expire on December 31, following the date of issue and shall be nontransferable. All applications for renewal of licenses shall be submitted by November 1 of each year of expiration, and licenses for completed renewals received by November 1 shall be issued by January 10. If applications have not been made for renewal of licenses, such licenses shall expire on December 31 and it shall be illegal for any person to represent himself or herself and act as a dealer thereafter. Tag agents shall be notified not to accept dealers' titles until such time as licenses have been issued. Beginning January 1, 2016, all licenses shall be issued for a period of two (2) years and the appropriate fees shall be assessed. The Commission shall adopt rules necessary to implement the two-year licensing provisions.

4. A certificate of registration shall permit the registered person to engage in the activities of a used motor vehicle salesperson. A salesperson shall be deemed to be temporarily

approved and allowed to sell vehicles when applications and fees are on file with the Commission.

C. The schedule of license and inspection fees to be charged and received by the Commission for the licenses and inspections issued hereunder shall be as follows:

1. For each used motor vehicle dealer's license and each wholesale used motor vehicle dealer's license, Six Hundred Dollars (\$600.00). If a used motor vehicle dealer or a wholesale used motor vehicle dealer has once been licensed by the Commission in the classification for which he or she applies for a renewal of the license, the fee for each subsequent renewal shall be Three Hundred Dollars (\$300.00); provided, if an applicant holds a license to conduct business as an automotive dismantler and parts recycler issued pursuant to Section 591.1 et seq. of this title, the initial fee shall be Two Hundred Dollars (\$200.00) and the renewal fee shall be Two Hundred Dollars (\$200.00). If an applicant is applying simultaneously for a license under this paragraph and a license under paragraph 1 of Section 591.5 of this title, the initial application fee shall be Four Hundred Dollars (\$400.00). For the reinstatement of a used motor vehicle dealer's license after revocation for cancellation or expiration of insurance pursuant to subsection F of this section, the fee shall be Two Hundred Dollars (\$200.00);

2. For a used motor vehicle dealer's license, for each place of business in addition to the principal place of business, Two Hundred Dollars (\$200.00);

3. For each holder who possesses a valid new motor vehicle dealer's license from the Oklahoma Motor New Vehicle Commission, Two Hundred Dollars (\$200.00) shall be the initial fee for a used motor vehicle license and the fee for each subsequent renewal shall be Two Hundred Dollars (\$200.00);

4. a. For each manufactured home dealer's license or a restricted manufactured home park dealer's license, Six Hundred Dollars (\$600.00), and for each place of business in addition to the principal place of business, Four Hundred Dollars (\$400.00), and

- b. For each renewal of a manufactured home dealer's license or a restricted manufactured home park dealer's license, and renewal for each place of business in addition to the principal place of business, Three Hundred Dollars (\$300.00);
- 5. a. For each manufactured home installer's license, Four Hundred Dollars (\$400.00), and
 - b. For each renewal of a manufactured home installer's license, Four Hundred Dollars (\$400.00);
- 6. a. For each manufactured home manufacturer selling directly to a licensed manufactured home dealer in this state, One Thousand Five Hundred Dollars (\$1,500.00), and
 - b. For each renewal of a manufactured home manufacturer's license, One Thousand Five Hundred Dollars (\$1,500.00);

7. Any manufactured home manufacturer who sells a new manufactured home to be shipped to or sited in ~~the State of Oklahoma~~ this state shall pay an installation inspection fee of Seventy-five Dollars (\$75.00) for each new single-wide manufactured home and One Hundred Twenty-five Dollars (\$125.00) for each new multi-floor manufactured home; and

8. A used manufactured home inspection fee of Seventy-five Dollars (\$75.00) shall be paid by the installer at or before the time of installation of any used manufactured home sited and installed in ~~the State of Oklahoma~~ this state.

D. 1. The license issued to each used motor vehicle dealer, each wholesale used motor vehicle dealer, each restricted manufactured home park dealer and each manufactured home dealer shall specify the location of the place of business. If the business location is changed, the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission shall be notified immediately of the change and the Commission may endorse the change of location on the license. The fee for a change of location shall be One Hundred Dollars (\$100.00), and the fee for a change of name,

Twenty-five Dollars (\$25.00). The license of each licensee shall be posted in a conspicuous place in the place or places of business of the licensee.

2. The license issued to each manufactured home installer and each manufactured home manufacturer shall specify the location of the place of business. If the business location is changed, the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission shall be notified immediately of the change and the Commission may endorse the change of location on the license without charge. The license of each licensee shall be posted in a conspicuous place in the place or places of business of the licensee.

3. Every manufactured home installer shall have the license available for inspection at the primary place of business of the licensee. This license shall be valid for the licensee and all of the employees of the licensee. Any person who is not an employee of the licensee must obtain a separate manufactured home installer license regardless of whether such person is acting in the capacity of a contractor or subcontractor.

E. 1. a. Each applicant for a used motor vehicle dealer's license shall procure and file with the Commission a good and sufficient bond in the amount of Twenty-five Thousand Dollars (\$25,000.00). Each new applicant for a used motor vehicle dealer's license for the purpose of conducting a used motor vehicle auction shall procure and file with the Commission a good and sufficient bond in the amount of Fifty Thousand Dollars (\$50,000.00). An applicant who intends to conduct a used motor vehicle auction who provides proof that the applicant has check and title insurance in an amount not less than Fifty Thousand Dollars (\$50,000.00) shall only be required to have a bond in the amount of Twenty-five Thousand Dollars (\$25,000.00).

b. Each new applicant for a used motor vehicle dealer license for the purpose of conducting a used motor vehicle business which will consist primarily of non-auction consignment sales which are projected to equal

Five Hundred Thousand Dollars (\$500,000.00) or more in gross annual sales shall procure and file with the Commission a good and sufficient bond in the amount of Fifty Thousand Dollars (\$50,000.00). The Commission shall prescribe by rule the method of operation of the non-auction consignment dealer in order to properly protect the interests of all parties to the transaction and to provide sanctions against dealers who fail to comply with the rules.

- c. Each applicant for a wholesale used motor vehicle dealer's license shall procure and file with the Commission a good and sufficient bond in the amount of Twenty-five Thousand Dollars (\$25,000.00).
- d. Any used motor vehicle dealer who, for the purpose of being a rebuilder, applies for a rebuilder certificate, as provided in Section 591.5 of this title, whether as a new application or renewal, shall procure and file with the Commission a good and sufficient bond in the amount of Fifteen Thousand Dollars (\$15,000.00), in addition to any other bonds required.
- e. Each applicant for a manufactured home dealer's license or a restricted manufactured home park dealer's license shall procure and file with the Commission a good and sufficient bond in the amount of Thirty Thousand Dollars (\$30,000.00).
- f. Each manufactured home manufacturing facility selling directly to a licensed manufactured home dealer or restricted manufactured home park dealer in this state shall procure and file with the Commission a good and sufficient bond in the amount of Thirty Thousand Dollars (\$30,000.00). In addition to all other conditions and requirements set forth herein, the bond shall require the availability of prompt and full warranty service by the manufacturer to comply with all warranties expressed or implied in connection with each manufactured home which is manufactured for resale or use in this state. A manufacturer may not

sell, exchange, or lease-purchase with an option to own in any form a manufactured home to a person in this state directly or indirectly through a distributor or third party who is not a licensed manufactured home dealer or a restricted manufactured home park dealer.

- g. The bond shall be approved as to form by the Attorney General and conditioned that the applicant shall not practice fraud, make any fraudulent representation, or violate any of the provisions of ~~this act~~ Section 581 et seq. of this title in the conduct of the business for which the applicant is licensed. One of the purposes of the bond is to provide reimbursement for any loss or damage suffered by any person by reason of issuance of a certificate of title by a used motor vehicle dealer, a wholesale used motor vehicle dealer, a restricted manufactured home park dealer or a manufactured home dealer.

2. The bonds as required by this section shall be maintained throughout the period of licensure. Should the bond be canceled for any reason, the license shall be revoked as of the date of cancellation unless a new bond is furnished prior to such date.

F. Any used motor vehicle dealer or wholesale used motor vehicle dealer is required to furnish and keep in force a minimum of Twenty-five Thousand Dollars (\$25,000.00) of single liability insurance coverage on all vehicles offered for sale or used in any other capacity in demonstrating or utilizing the streets and roadways in accordance with the financial responsibility laws of this state.

G. Any manufactured home dealer or restricted manufactured home park dealer is required to furnish and keep in force a minimum of One Hundred Thousand Dollars (\$100,000.00) of garage liability or general liability with products and completed operations insurance coverage.

H. Any manufactured home installer is required to furnish and keep in force a minimum of Twenty-five Thousand Dollars (\$25,000.00)

of general liability with products and completed operations insurance coverage.

SECTION 20. AMENDATORY 47 O.S. 2021, Section 583.1, as amended by Section 4, Chapter 107, O.S.L. 2022 (47 O.S. Supp. 2022, Section 583.1), is amended to read as follows:

Section 583.1. A. It shall be punishable by an administrative fine not to exceed Five Hundred Dollars (\$500.00) for any person, firm, association, corporation, or trust to engage in business as, or serve in the capacity of, a used motor vehicle salesperson in this state without first obtaining a certificate of registration with the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission. However, a person may sell used motor vehicles without obtaining a separate used motor vehicle salesperson's certificate of registration if the person has a certificate of registration from the Oklahoma New Motor Vehicle Commission to sell new or unused motor vehicles at a new motor vehicle dealer's licensed franchise location which also sells used vehicles; provided, such a person shall only be authorized to sell used motor vehicles for the dealer at the new motor vehicle dealer's licensed franchise location and to represent the new motor vehicle dealer at used motor vehicle auctions. The cost of the registration for each salesperson shall be Fifty Dollars (\$50.00) to be renewed biennially and, for a transfer, Twenty-five Dollars (\$25.00). The cost of registration is to be borne by the employing entity of the salesperson. The Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission shall promulgate rules and procedures necessary for the implementation and creation of a registry of salespersons and the issuance of certificates of registration.

B. It shall be punishable by an administrative fine not to exceed Five Hundred Dollars (\$500.00) for any person, firm, association, corporation, or trust to engage in business as, or serve in the capacity of, a manufactured home salesperson in this state without first obtaining a certificate of registration with the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission. The cost of the registration for each salesperson shall be Fifty Dollars (\$50.00) to be renewed biennially and, for a transfer, Twenty-five Dollars (\$25.00). The cost of registration is to be borne by the employing entity of the salesperson. The

Commission shall promulgate rules and procedures necessary for the implementation and creation of a registry of salespersons and the issuance of certificates of registration.

SECTION 21. AMENDATORY 47 O.S. 2021, Section 596.1, is amended to read as follows:

Section 596.1. As used in ~~this act~~ the Recreational Vehicle Franchise Act:

1. "Area of sales responsibility" means a geographical area agreed to by a dealer and the manufacturer in a dealer agreement in which the dealer has the exclusive right to display or sell the new recreational vehicles of a manufacturer of a particular line-make to the public;

2. "Camping trailer" means a vehicular unit that is mounted on wheels and constructed with collapsible partial side walls that fold for towing by another vehicle and unfold at the campsite to provide temporary living quarters for recreational, camping, or travel use;

3. "Commission" means the Oklahoma New Motor Vehicle Commission;

4. "Dealer" means any person, firm, corporation, or business entity licensed or required to be licensed pursuant to the provisions of ~~this act~~ the Recreational Vehicle Franchise Act to sell new recreational vehicles;

~~4.~~ 5. "Dealer agreement" means a written agreement or contract entered into between a manufacturer and a dealer that establishes the legal rights and obligations of the parties to that agreement or contract and pursuant to which the dealer is authorized to sell new recreational vehicles manufactured or distributed by the manufacturer;

~~5.~~ 6. "Established place of business" means a permanently enclosed building or structure, easily accessible to the public, with a paved or graveled lot for customer parking and for the showing and storage of vehicles. Established place of business shall not mean tents, temporary stands, lots, or other temporary quarters. The established place of business shall have a sign

visible from the outside of the business which identifies the recreational vehicle dealership. The established place of business shall have an indoor office with public areas sufficient to conduct sales transactions with customers and have restroom facilities available for the public. The established place of business shall include a service and parts area, separated from the public areas, equipped with tools, equipment, and replacement parts necessary for reasonably expected warranty and service needs;

~~6-~~ 7. "Factory campaign" means an effort by a warrantor to contact recreational vehicle owners or recreational vehicle dealers in order to address an issue concerning a recreational vehicle problem, defective part, or equipment;

~~7-~~ 8. "Factory representative" means any officer or agent engaged as a representative of a manufacturer of recreational vehicles or a factory branch for the purpose of making or promoting the sale of recreational vehicles of the manufacturer or for supervising or contacting dealers or prospective dealers of the manufacturer;

~~8-~~ 9. "Family member" means any of the following:

- a. a spouse of an individual,
- b. a child, grandchild, parent, sibling, niece, or nephew of an individual, or
- c. the spouse of a child, grandchild, parent, sibling, niece, or nephew of an individual;

~~9-~~ 10. "Fifth wheel trailer" means a vehicular unit mounted on wheels that is designed to provide temporary living quarters for recreational, camping, or travel use of such size and weight as to not require a special highway movement permit and is designed to be towed by a motorized vehicle that contains a towing mechanism that is mounted above or forward of the rear axle of the tow vehicle;

~~10-~~ 11. "Line-make" means a specific series of recreational vehicle products that meet all of the following:

- a. are identified by a common series trade name or trademark,
- b. are targeted to a particular market segment based on the decor, features, equipment, size, weight, and price range,
- c. have dimensions and interior floor plans that distinguish the recreational vehicles from recreational vehicles that have substantially the same decor, features, equipment, weight, and price,
- d. belong to a single, distinct classification of recreational vehicle product type that has a substantial degree of commonality in the construction of the chassis, frame, and body, and
- e. are authorized for sale by the dealer in the dealer agreement;

~~11.~~ 12. "Manufacturer" means a person that manufactures or wholesales recreational vehicles or that distributes or wholesales recreational vehicles to dealers;

~~12.~~ 13. "Motor home" means a motorized, vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use;

~~13. "OMVC" means the Oklahoma Motor Vehicle Commission;~~

14. "Person" means an individual, partnership, corporation, limited liability company, association, trust, estate, or other legal entity;

15. "Proprietary part" means a recreational vehicle part manufactured by or for a manufacturer and sold exclusively by a manufacturer;

16. "Recreational vehicle" means a vehicle that:

- a. is primarily designed as a vehicle that also provides temporary living quarters for noncommercial, recreational, or camping use,
- b. is built to the standards of the National Fire Protection Association for recreational vehicles,
- c. has its own motive power or is mounted on or towed by another vehicle,
- d. is regulated by the National Highway Traffic Safety Administration as a vehicle or vehicle equipment,
- e. does not require a special highway use permit for operation on the highways, and
- f. an individual can easily transport and set up on a daily basis.

Recreational vehicles ~~includes~~ include motor homes, travel trailers, fifth wheel travel trailers, folding camping trailers, and truck campers;

17. "Recreational vehicle salesperson" means any person who, for gain or compensation of any kind, either directly or indirectly, regularly or occasionally, by any form of agreement or arrangement, sells or negotiates for the sale of any new recreational vehicle for any new recreational vehicle dealer to any one or more third parties;

18. "Transient customer" means a person who:

- a. owns a recreational vehicle,
- b. is temporarily traveling through the area of sales responsibility of a dealer,
- c. engages the dealer to perform service work on that recreational vehicle, and
- d. requires repairs that relate to the safe operations of that recreational vehicle or, if not undertaken, are

of a nature that would render that recreational vehicle unusable;

19. "Travel trailer" means a vehicular unit mounted on wheels that is designed to provide temporary living quarters for recreational, camping, or travel use of such size and weight as to not require a special highway movement permit when towed by a motorized vehicle;

20. "Truck camper" means a portable unit that is constructed to provide temporary living quarters for recreational, camping, or travel use and consists of a roof, floor, and sides and is designed to be loaded onto and unloaded from the back of a pickup truck; and

21. "Warrantor" means a manufacturer or any other person that provides a warranty to the consumer in connection with a new recreational vehicle or parts, accessories, or components of a new recreational vehicle. The term does not include a person that provides a service contract, mechanical or other insurance, or an extended warranty sold for separate consideration by a dealer or other person not controlled by a warrantor.

SECTION 22. AMENDATORY 47 O.S. 2021, Section 596.2, is amended to read as follows:

Section 596.2. A. It shall be unlawful for any person, firm, association, corporation, or trust to engage in business as, or serve in the capacity of, or act as a new recreational vehicle dealer, new recreational vehicle manufacturer, new recreational vehicle factory representative, or new recreational vehicle salesperson in this state without first obtaining a license or salesperson registration as provided for by law.

B. The Oklahoma New Motor Vehicle Commission ~~(OMVC)~~ shall issue new recreational vehicle dealer, manufacturer and factory representative licenses, and recreational vehicle salesperson registrations upon application. The Commission shall promulgate rules and forms to implement and enforce the provisions of this section.

C. The schedule of license fees and salesperson registration fees to be charged and received by the Oklahoma New Motor Vehicle Commission for the licenses issued hereunder shall be as follows:

1. For each manufacturer or distributor of new recreational vehicles, an initial fee of Four Hundred Dollars (\$400.00) with an annual renewal fee of Three Hundred Dollars (\$300.00);

2. For each factory representative, an initial fee of One Hundred Dollars (\$100.00) with an annual renewal fee of One Hundred Dollars (\$100.00);

3. For each new motor home dealer, an initial fee of Three Hundred Dollars (\$300.00) per franchise sold at each licensed location with an annual renewal fee of One Hundred Dollars (\$100.00) per franchise sold at each licensed location;

4. For each fifth wheel trailer, travel trailer, camping trailer, and truck camper dealer, an initial fee of Three Hundred Dollars (\$300.00) per manufacturer represented at each licensed location with an annual renewal fee of One Hundred Dollars (\$100.00) per manufacturer represented at each location; and

5. For each salesperson registration, an initial fee of Twenty-five Dollars (\$25.00) with an annual renewal fee of Twenty-five Dollars (\$25.00).

D. A manufacturer shall not sell or display for sale a recreational vehicle in this state except to a dealer or through a dealer that is licensed by the Commission to sell recreational vehicles in ~~the State of Oklahoma~~ this state. The manufacturer shall also be required to have a dealer agreement with the dealer that meets the requirements of the Recreational Vehicle Franchise Act and is signed by both parties.

E. A dealer shall not sell or display for sale a new recreational vehicle in this state unless the dealer is licensed by the Commission to sell recreational vehicles in ~~the State of Oklahoma~~ this state. The dealer shall also be required to have a dealer agreement with the manufacturer of the recreational vehicle that meets the requirements of ~~this act~~ the Recreational Vehicle Franchise Act and is signed by both parties.

SECTION 23. AMENDATORY 47 O.S. 2021, Section 596.3, is amended to read as follows:

Section 596.3. A. All of the following conditions shall apply to the area of sales responsibility of a dealer included in a dealer agreement between a manufacturer and a dealer:

1. The manufacturer shall designate in the dealer agreement the area of sales responsibility exclusively assigned to the dealer;

2. The manufacturer shall not change the area of sales responsibility of a dealer or establish another dealer for the same line-make in that area during the term of the dealer agreement; and

3. The area of sales responsibility may not be reviewed or changed without the consent of both parties until one (1) year after the execution of the dealer agreement.

B. A dealer ~~may~~ shall not conduct sales activity or display for sale recreational vehicles outside of its designated area of sales responsibility.

C. A dealer may sell ~~off-premise~~ off-premises within the area of sales responsibility of the dealer under the following circumstances:

1. At sanctioned recreational vehicle shows where the sales event is held ~~off-premise~~ off-premises and at least sixty-seven percent (67%) of the recreational vehicle dealers that are located within a sixty-mile radius of the location of the show participate in the show. A sanctioned recreational vehicle show may be held only under the following conditions:

- a. the sponsoring entity of the sales event shall obtain a permit from the ~~OMVC~~ Oklahoma New Motor Vehicle Commission at the rate of Two Hundred Dollars (\$200.00) per event. The permit shall be for a period not to exceed ten (10) consecutive days,
- b. dealer permits for a sanctioned recreational vehicle show described in this paragraph shall be obtained

from the ~~OMVC~~ Commission at a rate of Fifteen Dollars (\$15.00) for each motor home per sanctioned recreational vehicle show,

- c. new recreational vehicle dealers whose manufacturer-approved area of responsibility includes the event location shall be eligible to participate in the sanctioned recreational vehicle show,
- d. new recreational vehicle dealers shall obtain written approval from the manufacturer or distributor to participate in the sanctioned recreational vehicle show, and
- e. the sanctioned recreational vehicle show shall be conducted within municipal, county, or state-owned or controlled facilities or within the grounds of any county, district, or state fair; and

2. At nonsanctioned recreational vehicle shows where one or more dealers may sell recreational vehicles ~~off-premise~~ off-premises under the following conditions:

- a. dealer permits for a nonsanctioned recreational vehicle show described in this paragraph shall be obtained from the ~~OMVC~~ Commission at a rate of Fifteen Dollars (\$15.00) for each recreational vehicle per nonsanctioned recreational vehicle show,
- b. the location of the nonsanctioned recreational vehicle show shall be within the manufacturer-approved area of responsibility,
- c. the nonsanctioned recreational vehicle show shall occur no more than five (5) consecutive days per event, excluding county, district, or state fairs,
- d. each dealer may participate in no more than eight nonsanctioned recreational vehicle shows per calendar year, and

- e. nonsanctioned recreational vehicle shows shall be held on privately owned property no closer than two and one-half (2 1/2) miles to any other nonparticipating recreational vehicle dealer; provided, however, a nonsanctioned recreational vehicle show may be held on county or municipally owned property with no mileage barrier restriction.

D. A dealer may display a recreational vehicle within the designated area of responsibility of the dealer for promotional purposes. At an ~~off-premise~~ off-premises display event, no sales activities shall be conducted including, but not limited to, negotiations, financing, and accepting credit applications. Sales or finance personnel shall not be permitted to participate at an ~~off-premise~~ off-premises display event. A permit for the ~~off-premise~~ off-premises display event shall not be required.

E. A dealer agreement shall include a designated principal of the dealer. A dealer agreement may identify a family member as the successor of the principal or include a succession plan of the dealer. A dealer may at any time change a designation or succession plan made in the dealer agreement by providing written notice to the manufacturer.

SECTION 24. AMENDATORY 47 O.S. 2021, Section 596.5, is amended to read as follows:

Section 596.5. A. A manufacturer, directly or through any officer, agent, or employee, may terminate or not renew a dealer agreement without good cause. If the manufacturer terminates or does not renew the dealer agreement without good cause, the manufacturer shall comply with the provisions of subsections D and E of this section. If the manufacturer terminates or does not renew the dealer agreement with good cause, the provisions of subsections D and E of this section shall not apply.

B. A manufacturer has the burden of showing good cause for terminating or not renewing a dealer agreement. All of the following factors shall be considered in determining whether there is good cause for a proposed termination or nonrenewal of a dealer agreement by a manufacturer:

1. The extent of the penetration of the dealer in the relevant market area;

2. The extent and quality of the service of the dealer under recreational vehicle warranties;

3. The nature and extent of the investment of the dealer in business of the dealer;

4. The adequacy of the service facilities, equipment, parts, supplies, and personnel of the dealer;

5. The effect of the proposed action on the community;

6. Whether the dealer fails to follow agreed-upon procedures or standards related to the overall operation of the dealership; and

7. The performance by the dealer under the terms of dealer agreement.

C. Except as otherwise provided in this section, a manufacturer shall provide a dealer with written notice of a termination or nonrenewal of a dealer agreement. All of the following conditions apply to a notice described in this subsection:

1. Except as provided in paragraph 4 or 5 of this subsection, the manufacturer shall provide written notice at least ninety (90) days before the effective date of the termination or nonrenewal of the dealer agreement;

2. The notice shall state all of the reasons for the termination or nonrenewal of the dealer agreement;

3. The notice shall state that if the dealer provides to the manufacturer a written notification of the intent of the dealer to cure all claimed deficiencies within thirty (30) days after the dealer receives the notice, the dealer shall have one hundred twenty (120) days after the date of the notice to correct the claimed deficiencies. If all of the deficiencies are corrected within the one-hundred-twenty-day time period, the notice shall be deemed void and the manufacturer shall not terminate or not renew the dealer agreement because of the claimed deficiencies stated in the notice.

If the dealer does not provide a notification of intent to cure deficiencies within the thirty-day time period, the termination or nonrenewal of the dealer agreement shall take effect sixty (60) days after the dealer received the notice from the manufacturer;

4. A manufacturer may reduce the notice period described in paragraph 1 of this subsection from ninety (90) days to thirty (30) days and shall not be required to allow the dealer an opportunity to correct the deficiencies if the grounds for termination or nonrenewal of the dealer agreement by the manufacturer are any of the specific categories of good cause described in subsection F of this section; and

5. A manufacturer shall not be required to provide notice or an opportunity to correct deficiencies under this subsection if the grounds for termination or nonrenewal of the dealer agreement by the manufacturer includes one of the following:

- a. the dealer becomes insolvent,
- b. the dealer is bankrupt, or
- c. the dealer makes an assignment for the benefit of creditors.

D. If a manufacturer terminates or does not renew a dealer agreement for good cause under this section, the dealer, at its option, may require the manufacturer to repurchase any of the following from the dealer:

1. All new, untitled recreational vehicles that were acquired from the manufacturer within eighteen (18) months before the effective date of the notice of termination of the dealer agreement that have not been used, except for demonstration purposes and have not been altered or damaged, may be repurchased at one hundred percent (100%) of the net invoice cost of the recreational vehicles, including transportation, less applicable rebates and discounts to the dealer;

2. All current and undamaged accessories and proprietary parts sold to the dealer for resale within the eighteen (18) months prior to the effective date of the termination of the dealer agreement

that are accompanied by the original invoice may be repurchased at one hundred five percent (105%) of the original net price paid to the manufacturer to compensate the dealer for handling, packing, and shipping the accessories and parts; and

3. Any properly functioning diagnostic equipment, special tools, current signage, and other equipment and machinery, purchased by the dealer within the five (5) years prior to the effective date of the termination of the dealer agreement at the request of the manufacturer, if ~~such~~ the equipment or machinery cannot be used in the normal course of the ongoing business of the dealer, may be repurchased at one hundred percent (100%) of the net cost of the dealer, plus freight, destination, delivery, and distribution charges and sales taxes.

E. The dealer shall promptly return or arrange for the return of all of the items the manufacturer is required to repurchase under subsection D of this section at the expense of the manufacturer.

F. As used in this section, "good cause" includes, but is not limited to, any of the following:

1. A conviction of a felony or a plea of guilty or nolo contendere to a felony by a dealer or an owner of a dealership of a crime that was committed during the time frame of the current dealer agreement; provided, there is full disclosure, in writing, of any felony conviction or plea of guilty or nolo contendere to any such felony crime that occurred within ten (10) years of entering into ~~such~~ the dealer agreement;

2. Abandonment or permanent closing of the business operations of a dealer for twenty-one (21) consecutive business days without contacting the manufacturer prior to the closing unless the closing is due to an act of God, strike, labor difficulty, or other cause over which the dealer has no control;

3. A material misrepresentation to a manufacturer by a dealer that severely affects the business relationship between the dealer and the manufacturer;

4. Suspension or revocation of the license of a dealer or refusal to renew the license of the dealer by the ~~OMVC~~ Oklahoma New Motor Vehicle Commission;

5. A material violation of any of the provisions of the Recreational Vehicle Franchise Act by a dealer; or

6. The dealer becomes insolvent, is bankrupt, or makes an assignment for the benefit of creditors.

SECTION 25. AMENDATORY 47 O.S. 2021, Section 596.7, is amended to read as follows:

Section 596.7. The ~~OMVC may~~ Oklahoma New Motor Vehicle Commission shall not prohibit a dealer from selling the remaining in stock inventory of a particular line-make after a dealer agreement has been terminated or not renewed pursuant to the provisions of ~~Section 7 or 8 of this act~~ Sections 596.5 and 596.6 of this title. If recreational vehicles of a line-make are not returned or required to be returned to the manufacturer, the dealer may continue to sell all line-makes that were subject to the dealer agreement and are currently in stock until those line-makes are no longer in the dealer inventory.

SECTION 26. AMENDATORY 47 O.S. 2021, Section 596.8, is amended to read as follows:

Section 596.8. A. All of the following conditions shall apply to a proposed sale of the business assets, transfer of the stock, or other transaction that will result in a change of ownership of a dealer, except a transaction described in subsection B of this section:

1. The dealer shall provide written notice to the manufacturer at least ninety (90) days prior to the proposed closing of the transaction;

2. If the dealer is not in breach of the dealer agreement or in violation of the provisions of ~~this act~~ the Recreational Vehicle Franchise Act at the time the dealer provides the notice described in paragraph 1 of this subsection, the manufacturer shall not object

to the proposed transaction, unless the prospective transferee meets one or more of the following:

- a. the prospective transferee was previously a party to a dealer agreement with the manufacturer that the manufacturer terminated,
- b. in the preceding ten (10) years, the prospective transferee was convicted of a felony crime or any crime of fraud, deceit, or moral turpitude,
- c. the prospective transferee does not have an application for a recreational vehicle dealer license pending with the ~~OMVC~~ Oklahoma New Motor Vehicle Commission or a tentative dealer agreement with a recreational vehicle manufacturer to conduct business as a dealer in this state,
- d. the prospective transferee does not have an active line of credit sufficient to purchase recreational vehicles from the manufacturer according to the terms of the dealer agreement, or
- e. in the preceding ten (10) years, the prospective transferee was bankrupt or insolvent, made a general assignment for the benefit of creditors, or a receiver, trustee, or conservator was appointed to take possession of the business or property of the prospective transferee;

3. If the manufacturer objects to the proposed transaction, the manufacturer shall give written notice of an objection, including the reasons by the manufacturer for objecting, to the dealer within thirty (30) days after receiving the notice described in paragraph 1 of this subsection. If the manufacturer does not give notice of an objection within the thirty-day time period, the proposed transaction shall be considered approved by the manufacturer; and

4. For purposes of paragraph 3 of this subsection, the manufacturer has the burden of demonstrating why the manufacturer objects to the proposed transaction.

B. All of the following conditions apply concerning the death, incapacity, or retirement of the designated principal of a dealer:

1. The manufacturer shall provide the dealer an opportunity to designate, in writing, a family member as a successor to the dealer in the event of the death, incapacity, or retirement of the designated principal;

2. The manufacturer shall not prevent or refuse to honor the succession to a dealership by a family member of the deceased, incapacitated, or retired designated principal of that dealer unless the manufacturer previously provided written notice to the dealer of any objections to the succession plan of the dealer within thirty (30) days after receiving the succession plan of the dealer or any modification of the succession plan of the dealer;

3. Except as provided in paragraph 5 of this subsection, unless the dealer is in breach of the dealer agreement, a manufacturer shall not object to the succession to a dealership by a family member of the deceased, incapacitated, or retired designated principal, unless the successor meets one or more of the following:

- a. in the preceding ten (10) years, the successor was convicted of a felony crime or any crime of fraud, deceit, or moral turpitude,
- b. in the preceding ten (10) years, the successor was bankrupt, insolvent, or made an assignment for the benefit of creditors,
- c. the successor was previously a party to a dealer agreement with the manufacturer that the manufacturer terminated for a breach of a dealer agreement,
- d. the successor does not have an active line of credit sufficient to purchase recreational vehicles from the manufacturer according to the terms of the dealer agreement, or
- e. the successor does not have an application for a recreational vehicle dealer license pending with the OMVC Commission or a tentative dealer agreement with a

recreational vehicle manufacturer to conduct business as a dealer in this state;

4. The manufacturer has the burden of proof regarding any objection to the succession to a dealership by a family member of the deceased, incapacitated, or retired designated principal; and

5. The consent of the manufacturer shall be required for the succession to a dealership by a family member of the deceased, incapacitated, or retired designated principal if the succession involves a relocation of the business or an alteration of the terms and conditions of the dealer agreement.

SECTION 27. AMENDATORY 47 O.S. 2021, Section 596.14, is amended to read as follows:

Section 596.14. The Oklahoma New Motor Vehicle Commission may deny an application for a license, revoke or suspend a license, impose a fine against a manufacturer or distributor in an amount not to exceed Ten Thousand Dollars (\$10,000.00) per occurrence, or impose a fine against a dealer in an amount not to exceed One Thousand Dollars (\$1,000.00) per occurrence if any provision of the Recreational Vehicle Franchise Act is violated or for any of the following reasons:

1. On satisfactory proof of unfitness of the applicant in any application for any license under the provisions of the Recreational Vehicle Franchise Act;

2. For any material misstatement made by an applicant in any application for any license under the provisions of the Recreational Vehicle Franchise Act;

3. For any failure to comply with any provision of the Recreational Vehicle Franchise Act or any rule promulgated by the Commission under authority vested ~~to the OMVC~~ pursuant to the Recreational Vehicle Franchise Act;

4. A change of condition after a license is granted resulting in the failure to maintain the qualifications for a license;

5. Being a new recreational vehicle dealer who:

- a. has required a purchaser of a new recreational vehicle, as a condition of sale and delivery thereof, to also purchase special features, appliances, accessories, or equipment not desired or requested by the purchaser and installed by the dealer,
 - b. uses any false or misleading advertising in connection with business as a new recreational vehicle dealer or vehicle salesperson,
 - c. has committed any unlawful act which resulted in the revocation of any similar license in another state,
 - d. has failed or refused to perform any written agreement with any retail buyer involving the sale of a recreational vehicle,
 - e. has been convicted of a crime involving moral turpitude,
 - f. has committed a fraudulent act in selling, purchasing, or otherwise dealing in new recreational vehicles or has misrepresented the terms and conditions of a sale, purchase, or contract for sale or purchase of a new recreational vehicle or any interest therein including an option to purchase such vehicle,
 - g. has failed to meet or maintain the conditions and requirements necessary to qualify for the issuance of a license, or
 - h. has employed an unregistered new recreational vehicle salesperson;
6. Being a new recreational vehicle dealer who:
- a. does not have an established place of business,
 - b. does not provide for a suitable repair shop separate from the display room with ample space to repair or recondition one or more recreational vehicles at the

same time and equipped with tools, equipment, and replacement parts as may be necessary for the servicing of recreational vehicles in such a manner as to make such vehicles comply with the safety laws of this state and properly fulfill the warranty obligation of the dealer or manufacturer,

- c. does not hold a dealer agreement in effect with a manufacturer or distributor of new or unused recreational vehicles for the sale of the same and is not authorized by the manufacturer or distributor to render predelivery preparation of such vehicles sold to purchasers and perform authorized postsale work pursuant to the warranty of the manufacturer or distributor, or
- d. employs unregistered salespersons or employs or utilizes the services of used recreational vehicle lots, dealers, or other unregistered persons in connection with the sale of new recreational vehicles;

7. Being a factory that has:

- a. induced or attempted to induce by means of coercion or intimidation any new recreational vehicle dealer:
 - (1) to accept delivery of any recreational vehicle or vehicles, parts, or accessories for recreational vehicles, or any other commodities including advertising material which shall not have been ordered by the new recreational vehicle dealer,
 - (2) to order or accept delivery of any recreational vehicle with special features, appliances, accessories, or equipment not included in the list price of the recreational vehicles as publicly advertised by the manufacturer of the recreational vehicle, or
 - (3) to order or accept delivery of any parts, accessories, equipment, machinery, tools, appliances, or any commodity whatsoever,

- b. induced under threat or discrimination by the withholding from delivery to a recreational vehicle dealer certain models of recreational vehicles, changing or amending unilaterally the allotment of recreational vehicles of a dealer or withholding and delaying delivery of such vehicles out of the ordinary course of business, in order to induce a dealer by such coercion to participate or contribute to any local or national advertising fund controlled directly or indirectly by the factory or for any other purposes including contests, giveaways, other sales promotional devices, or change of quotas in any sales contest, or
- c. required recreational vehicle dealers, as a condition of receiving the vehicle allotment of the dealer, to order a certain percentage of the recreational vehicles with optional equipment not specified by the new recreational vehicle dealer; however, nothing in this paragraph shall prohibit a factory from supporting an advertising association which is open to all dealers on the same basis; or

8. Has employed unlicensed factory representatives.

The Commission may deny any application for license, or suspend or revoke a license issued, or impose a fine, only after a hearing for which the applicant or licensee affected shall be given at least ten (10) days' written notice specifying the reason for denying the applicant a license, or, in the case of a revocation or suspension or imposition of a fine, the offense which the licensee is alleged to have committed. The notice may be served as provided by law for the service of notices or mailing a copy by registered mail to the last-known residence or business address of the applicant or licensee. The hearing on alleged violations shall be at such time and place as the Commission may prescribe and the aforementioned notice shall further specify the time and place. If the applicant or licensee is a motor vehicle salesperson, factory representative, or distributor representative, the Commission shall in like manner additionally notify the person, firm, association, corporation, or trust with whom he or she is associated, or in whose association he or she is about to enter. The Commission shall have the power to

compel the production of all records, papers, and other documents which may be deemed relevant to the proceeding bearing upon the complaints. The Commission shall have the power to subpoena and bring before it any person, or take testimony of any person by deposition, with the same fees and mileage and in the same manner as prescribed in the proceedings before courts of the state in civil cases. Any party to the hearing shall have the right to the attendance of witnesses on his or her behalf upon designating to the Commission the person or persons sought to be subpoenaed.

SECTION 28. AMENDATORY 47 O.S. 2021, Section 596.15, is amended to read as follows:

Section 596.15. A. A dealer, manufacturer, or warrantor injured by another party who has violated a provision of ~~this act~~ the Recreational Vehicle Franchise Act may bring a civil action in court for the recovery of actual damages. The court shall award attorney fees and costs to the prevailing party in a civil action under this section.

B. Venue for a civil action filed pursuant to this section shall be the county in which the business of the dealer is located. In an action involving more than one dealer, any county in which the business of any dealer that is party to the action is located is a proper venue for that action.

C. Before bringing a civil action under this section, the party bringing suit for an alleged violation of ~~this act~~ the Recreational Vehicle Franchise Act shall serve a written demand for mediation on the offending party. The demand for mediation shall include a brief statement of the dispute and the relief sought by the party making the demand. The party making the demand for mediation shall serve the demand by certified mail to one of the following addresses:

1. In an action between a dealer and a manufacturer, the address stated in the dealer agreement between the parties;

2. In an action between a dealer and a warrantor that is not a manufacturer, the address stated in any agreement between the parties; or

3. In an action between two dealers, the address of the offending dealer in the records of the ~~OMVC~~ Oklahoma New Motor Vehicle Commission.

D. Within twenty (20) days after a demand for mediation is served under subsection C of this section, the parties shall mutually select an independent mediator who is approved by the ~~OMVC~~ Oklahoma New Motor Vehicle Commission, and meet with that mediator for the purpose of attempting to resolve the dispute at a location in this state selected by the mediator. The mediator may extend the date of the meeting for good cause shown by either party or if the parties agree to the extension.

E. The service of a demand for mediation under subsection C of this section tolls the time for the filing of any complaint, petition, protest, or other action under ~~this act~~ the Recreational Vehicle Franchise Act until representatives of both parties have met with the mediator selected pursuant to subsection D of this section for the purpose of attempting to resolve the dispute. If a complaint, petition, protest, or other action is filed before that meeting, the court shall enter an order suspending the proceeding or action until the mediation meeting has occurred and may, if all of the parties to the proceeding or action stipulate in writing that they wish to continue to mediate under this section, enter an order suspending the proceeding or action for as long a period as the court considers appropriate. The court may modify, extend, or revoke a suspension order issued under this subsection if it considers that action appropriate.

F. Each of the parties to the mediation under this section is responsible for its own attorney fees. The parties shall equally divide the cost of the mediator.

SECTION 29. AMENDATORY 47 O.S. 2021, Section 596.16, is amended to read as follows:

Section 596.16. A. In addition to any remedy available under the provisions of ~~this act~~ the Recreational Vehicle Franchise Act or otherwise available by law, a manufacturer, warrantor, or dealer may apply to the court for the grant, after a hearing and for cause shown, of a temporary or permanent injunction or other equitable relief restraining any person from doing any of the following:

1. Acting as a dealer without a proper license;

2. Violating or continuing to violate the provisions of ~~this act~~ the Recreational Vehicle Franchise Act. A single violation of the provisions of ~~this act~~ the Recreational Vehicle Franchise Act shall be a sufficient basis for the court to grant equitable relief under this section; or

3. Failing or refusing to comply with any requirement of the provisions of ~~this act~~ the Recreational Vehicle Franchise Act.

B. The court ~~may~~ shall not require a bond as a condition to the grant of equitable relief under this section.

C. If, on January 1, 2011, a dealership does not meet the requirements of the definition of established place of business as defined in Section ~~3 of this act~~ 596.1 of this title, the dealership shall be eligible for licensing by the ~~OMVC~~ Oklahoma New Motor Vehicle Commission for that location. If the dealership moves the dealership to a new location, the new dealership shall comply with the requirements of the definition of established place of business as defined in Section ~~3 of this act~~ 596.1 of this title.

SECTION 30. AMENDATORY 47 O.S. 2021, Section 1116.1, is amended to read as follows:

Section 1116.1. A license plate or decal bearing an expiration date of four (4) months from the date of registration shall be issued for a vehicle registered in the name of a manufacturer or dealer of new motor vehicles. Such license plate or decal shall be issued if the vehicle so registered is exempt from the vehicle excise tax pursuant to the provisions of ~~subsection (k)~~ paragraph 12 of Section 2105 of Title 68 of the Oklahoma Statutes. It shall be unlawful for any person other than a manufacturer, licensed dealer, person contemplating purchase of the vehicle, or person holding a valid salesman's license issued by the Oklahoma New Motor Vehicle Commission to operate the vehicle after the expiration of the four-month registration period.

SECTION 31. AMENDATORY 47 O.S. 2021, Section 1128, as last amended by Section 142, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section 1128), is amended to read as follows:

Section 1128. A. Every person manufacturing or having a contract to sell new vehicles in this state shall file a verified application for a general distinctive number for all new vehicles owned or controlled by the manufacturer or dealer; provided, Service Oklahoma shall issue a license to sell such new motor vehicles only for those types of new vehicles for which the applicant has a sales contract or franchise; provided, further, that no license shall be issued to any applicant that has not complied with the provisions of Sections 561 through ~~568~~ 567 of this title and does not hold a current license issued by the Oklahoma New Motor Vehicle Commission pursuant thereto. A separate manufacturer's or dealer's license shall be required for each separate county within which such manufacturer or dealer has an established place of business and upon payment of a license fee of Ten Dollars (\$10.00) there shall be assigned and issued to such manufacturer or dealer a Certificate ~~certificate~~ of Registration ~~Registration~~ registration and one license plate which shall be displayed upon each vehicle of such manufacturer or dealer when same is operated, driven, or displayed on any street, road, or highway, in the same manner as ~~hereinbefore~~ provided for vehicles owned by other persons. Such a manufacturer or dealer in new vehicles may obtain as many additional license plates as may be desired, upon the payment of the sum of Ten Dollars (\$10.00) for each additional plate; provided that no such license plate issued to any manufacturer or dealer shall be used or displayed upon any secondhand or used vehicle, or upon any new vehicle which is used for a service car, or private use, or for hire. Any person, with consent of the dealer, may operate a motor vehicle, with the dealer's tag affixed, while contemplating purchase, so long as this intent is limited to a consecutive seventy-two-hour period, or a weekend. An individual holding a valid salesman's license issued by the Oklahoma New Motor Vehicle Commission shall not be subject to this limitation. If such person also buys and sells used vehicles, he or she shall, after obtaining his or her new motor vehicle dealer's license from the Oklahoma New Motor Vehicle Commission, also obtain a used motor vehicle dealer's license, from the Oklahoma Used Motor Vehicle and Parts, Dismantler, and Manufactured Housing Commission, the cost of which shall be as prescribed in Section 1101 et seq. of this title.

B. Each dealer and used motor vehicle dealer shall keep a record of the purchase and sale of each motor vehicle he or she buys or sells, which shall show the name of the seller or buyer as the case may be, and a complete description of the vehicle purchased or sold, and such other information as Service Oklahoma may prescribe.

C. Application for manufacturer's or dealer's license must show that such dealer or manufacturer has not violated any of the provisions of this section; and such license shall be nonassignable; and any such license may be suspended temporarily or revoked by Service Oklahoma for violation or failure to comply with this section; provided, the holder of such license shall be given ten (10) days' notice of hearing to suspend or cancel such license. If any such person subject to any of the licenses required in this section fails to obtain it when due, a penalty of twenty-five cents (\$0.25) per day on each such license shall be charged in the same manner as is now provided on delinquent motor vehicle registrations, and after a period of thirty (30) days such penalty shall be equal to the license fee. It shall be the duty of every person licensed to sell new or used motor vehicles to advise each purchaser in writing about his or her title requirements and payment of any taxes due. Each used motor vehicle must display a proper Oklahoma license plate or a used dealer's license plate.

D. Every person engaged in the business of transporting and delivering new or used vehicles by driving, either singly or by towbar, ~~saddle-mount~~ saddle-mount, or ~~full-mount~~ full-mount method, engaging in drive-away operations as defined in Section ~~3~~ 2 of Title ~~85~~ 85A of the Oklahoma Statutes, or any combination thereof, from the manufacturer or shipper to the dealer or consignee and using the public highways of this state shall file with Service Oklahoma a verified application for in-transit license plates to identify such vehicles. The application shall provide for a general distinctive number for all vehicles so transported. Upon payment of a license fee of Ten Dollars (\$10.00) there shall be assigned and issued to such person one in-transit plate. Such in-transit plate shall be used by such person only on vehicles when so transported. Such person may obtain as many additional in-transit plates as desired upon payment of a fee of Ten Dollars (\$10.00) for each additional plate. Provided, a used motor vehicle dealer shall use a used dealer license plate in lieu of the in-transit license plate for

transporting a used motor vehicle and, in such cases, shall be exempt from making application for an in-transit license plate. Provided further, only a person who possesses a valid motor carrier authority issued by the Federal Motor Carrier Safety Administration, or a valid for-hire authority issued by the Corporation Commission may use the in-transit license plates obtained by ~~them~~ such person as herein authorized for transporting new or used manufactured homes from one location to another location within Oklahoma or from a point in another state to a point in this state. Nothing contained in this section shall relieve any person from the payment of license fees otherwise provided by law. When Service Oklahoma deems it advisable and in the public interest, it may require the holder of any in-transit license, or any person making application therefor, to file a proper surety bond in any amount it deems proper, not to exceed Ten Thousand Dollars (\$10,000.00).

E. Service Oklahoma shall issue dealer licenses to new and used manufactured home dealers, new and used travel trailer dealers, and new and used commercial trailer dealers.

F. All licenses provided for in this section shall expire on December 31 of each year.

SECTION 32. AMENDATORY 47 O.S. 2021, Section 1137.3, as amended by Section 172, Chapter 282, O.S.L. 2022 (47 O.S. Supp. 2022, Section 1137.3), is amended to read as follows:

Section 1137.3. The purchaser of every new motor vehicle, travel trailer, or commercial trailer shall register or license the same within thirty (30) days from the date of purchase. It shall be the responsibility of the selling dealer to place a temporary license plate, in size similar to the permanent Oklahoma license plate but of a weatherproof plastic-impregnated substance approved by the Oklahoma New Motor Vehicle Commission, upon a new motor vehicle, travel trailer, or commercial trailer when a transaction is completed for the sale of ~~said~~ the vehicle or trailer. Except for cab and chassis trucks, the temporary license plate under this section shall be placed at the location provided for the permanent motor vehicle license plate. The purchaser of a new cab and chassis truck may place the temporary license plate under this section in the rear window. ~~Said~~ The temporary license plate shall show the dealer's license number which is issued to him or her each year by

Service Oklahoma, the date the new motor vehicle, travel trailer, or commercial trailer was purchased, and the company name of the selling dealer. The ~~Oklahoma Motor Vehicle~~ Commission is hereby directed to develop a temporary license plate design to incorporate these requirements in a manner that will permit law enforcement personnel to readily identify the dealer license number and date of the vehicle purchase. The ~~Motor Vehicle~~ Commission is further authorized to develop additional requirements and parameters designed to discourage or prevent illegal duplication and use of the temporary license plate. On or before thirty (30) days from the date of purchase of a new motor vehicle, travel trailer, or commercial trailer, ~~said the~~ temporary license plate shall be removed and replaced with a permanent, current Oklahoma license plate. Use of ~~said the~~ temporary license plate by a licensed dealer for other than the purpose of normally doing business shall constitute grounds for revocation of the dealer's license.

It shall be unlawful for any licensed dealer of new motor vehicles, travel trailers, or commercial trailers to procure the registration and licensing of any new motor vehicle, travel trailer, or commercial trailer sold by such licensed dealer or to act as the agent for such purchaser in the procurement of ~~said the~~ registration and licensing. The license of any licensed dealer of new motor vehicles, travel trailers, or commercial trailers violating the provisions of this section shall be revoked.

SECTION 33. AMENDATORY 21 O.S. 2021, Section 918, is amended to read as follows:

Section 918. No person, firm, or corporation, whether owner, proprietor, agent, or employee, shall keep open, operate, or assist in keeping open or operating any place or premises or residences whether open or closed, for the purpose of selling, bartering, or exchanging, or offering for sale, barter, or exchange, any motor vehicle or motor vehicles, whether new, used, or ~~second hand~~ secondhand, on the first day of the week, commonly called Sunday, except as otherwise provided in this section; and provided, however, that ~~this act~~ Sections 917 through 919 of this title shall not apply to the opening of an establishment or place of business on the first day of the week for other purposes, such as the sale of petroleum products, tires, automobile accessories, or for the purpose of operating and conducting a motor vehicle repair shop, or for the

purpose of supplying such services as towing or wrecking. Antique, classic, or special interest automobiles sold, bartered, auctioned, or exchanged by any person, firm, or corporation are exempt from the provisions of this section, as well as ~~off-premise~~ off-premises sales of new motorized recreational vehicles approved by the Oklahoma New Motor Vehicle Commission pursuant to the provisions of the Recreational Vehicle Franchise Act.

SECTION 34. AMENDATORY 62 O.S. 2021, Section 155, is amended to read as follows:

Section 155. A. There is hereby created in the State Treasury a revolving fund for each of the following state boards, commissions, and departments:

1. The Board of Governors of the Licensed Architects, Landscape Architects and Registered Commercial Interior Designers of Oklahoma;

2. Oklahoma Funeral Board;

3. Board of Podiatric Medical Examiners;

4. Board of Chiropractic Examiners;

5. ~~State Board of Registration for Foresters;~~

6. ~~State Board of Medical Licensure and Supervision;~~

7. ~~6.~~ Oklahoma Board of Nursing;

8. ~~7.~~ State Board of Osteopathic Examiners;

9. ~~8.~~ State Board of Pharmacy;

10. ~~9.~~ State Board of Licensed Social Workers;

11. ~~10.~~ Oklahoma New Motor Vehicle Commission;

12. ~~Oklahoma Peanut Commission;~~

13. ~~11.~~ Oklahoma Real Estate Commission; and

~~14.~~ 12. Santa Claus Commission.

B. Each revolving fund shall consist of all monies received by the boards, commissions, and departments, pursuant to statutory authority, but not including appropriated funds. These revolving funds shall be continuing funds, not subject to fiscal year limitations and shall be under the control and management of the administrative authorities of the respective boards, commissions, or departments.

C. Expenditures from the revolving funds shall be made pursuant to the laws of the state and the statutes relating to ~~said the~~ boards, commissions, and departments, and without legislative appropriation. Warrants for expenditures from ~~said the~~ revolving funds shall be drawn by the State Treasurer, based on claims signed by an authorized employee or employees of the respective boards, commissions, or departments and approved for payment by the Director of the Office of Management and Enterprise Services.

SECTION 35. AMENDATORY Rule 2.45 of the Rules of the Ethics Commission, as amended by Section 25, Chapter 107, O.S.L. 2022 (74 O.S. Supp. 2022, Ch. 62, App. I), is amended to read as follows:

Rule 2.45. Calculation of Travel Expenditures. Expenditures for travel shall be calculated as provided in this section.

(A) Expenditures may be made for all expenses associated with the purchase or lease and operation of a motor vehicle only if the motor vehicle is used exclusively for purposes of the campaign or for ordinary and necessary expenses incurred in connection with the candidate's duties as the holder of a state elective office and for no other purpose at any time. If campaign contributions are used for the purchase or lease of a motor vehicle, the motor vehicle must be purchased or leased from a dealer licensed by the Oklahoma New Motor Vehicle Commission or the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission, or their successor agencies, on commercially reasonable terms and cannot be purchased from the committee by the candidate or a family member of the candidate.

(B) If a motor vehicle is used both for the purposes identified in subsection (A) and for any other purpose, expenditures may be made only for mileage reimbursement at the rate authorized for use of privately owned motor vehicles by the State Travel Reimbursement Act or its successor statutes, or less.

(C) Expenditures for the rental of a motor vehicle or for the fares of taxicabs, buses or similar modes of transportation shall be permitted for the actual cost of the rental or fare, provided that the rental or fare is at the rate normally charged for others.

(D) Expenditures for air travel on an air carrier shall be permitted for the actual cost of the fare; provided, if air travel is first class, business class or equivalent class, the expenditure shall be permitted only for any lower fare available on the same flight.

(E) Expenditures for air travel on an aircraft operated by a commercial carrier shall be permitted for the usual charter fare or rental charge.

(F) Expenditures for air travel on an aircraft operated by a private individual shall be permitted for the usual charter fare or rental charge of a commercial carrier.

(G) Expenditures for air travel on an aircraft operated by the candidate or a family member of the candidate shall be contributions by the candidate to the campaign and shall be calculated on the same basis as the usual charter fare or rental charge of a commercial carrier, unless the aircraft is rented, in which case the contribution shall be the cost of the rental.

SECTION 36. AMENDATORY 74 O.S. 2021, Section 3601.1, as amended by Section 24, Chapter 107, O.S.L. 2022 (74 O.S. Supp. 2022, Section 3601.1), is amended to read as follows:

Section 3601.1. A. For purposes of Sections 3601.1 through 3603 of this title, the term "employee" means a full-time employee or any number of part-time employees whose combined weekly hours of employment equal those of a full-time employee, but shall not include temporary employees working on a seasonal basis between May 1 and October 31.

B. Beginning July 1, 2008, the maximum number of full-time-equivalent employees for each of the following agencies, boards, commissions, departments, or programs shall not exceed the numbers specified in this section, except as may be authorized pursuant to the provisions of Section 3603 of this title.

MAXIMUM NUMBER OF
FULL-TIME-EQUIVALENT
EMPLOYEES

Oklahoma Employment Security Commission	1150
Oklahoma Accountancy Board	11
Board of Governors of the Licensed Architects, Landscape Architects and Registered <u>Commercial</u> Interior Designers of Oklahoma	4
Board of Chiropractic Examiners	3
State Board of Cosmetology and Barbering	16
Board of Dentistry	10
Oklahoma State Board of Embalmers and Funeral <u>Directors Board</u>	5
State Board of Licensure for Professional Engineers and Land Surveyors	10
State Board of Medical Licensure and Supervision/ Board of Podiatric Medical Examiners/State Board of Examiners of Perfusionists	29
Oklahoma Energy Resources Board	5
Oklahoma <u>New</u> Motor Vehicle Commission	6
Oklahoma Board of Nursing	35

Oklahoma State Board of Examiners for Long-Term Care Administrators	4
Board of Examiners in Optometry	3
State Board of Osteopathic Examiners	7
Oklahoma State Board of Pharmacy	15
State Board of Examiners of Psychologists	2
Oklahoma Real Estate Commission	26
Board of Examiners for Speech-Language Pathology and Audiology	2
Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission	15
State Board of Veterinary Medical Examiners	6
Oklahoma Firefighters Pension and Retirement System	13
Oklahoma Police Pension and Retirement System	12
Teachers' Retirement System of Oklahoma	52
Oklahoma Public Employees Retirement System	63
Oklahoma Student Loan Authority	85
Oklahoma Industrial Finance Authority/Oklahoma Development Finance Authority	10
State and Education Employees Group Insurance Board	178
Oklahoma Capital Investment Board	4
State Board of Licensed Social Workers	1

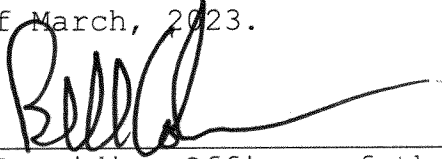
Oklahoma State Employees Benefits Council	38
Oklahoma State Banking Department	46
Liquefied Petroleum Gas Administration	10

C. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the Oklahoma Public Employees Retirement System Board of Trustees by law shall be set by the Board of Trustees.

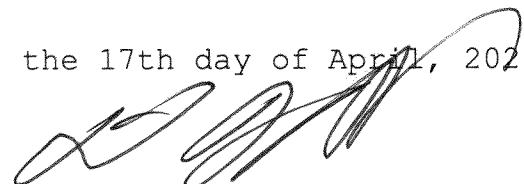
D. Temporary employees of the Oklahoma Used Motor Vehicle, Dismantler, and Manufactured Housing Commission between the dates of November 1 and January 31 annually shall not be counted toward the maximum number of full-time-equivalent employees provided for in this section.

SECTION 37. This act shall become effective November 1, 2023.


Passed the Senate the 22nd day of March, 2023.


Presiding Officer of the Senate

Passed the House of Representatives the 17th day of April, 2023.


Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 18th
day of April, 20 23, at 10:51 o'clock 11 M.
By: 

Approved by the Governor of the State of Oklahoma this 19th
day of April, 20 23, at 3:22 o'clock 12 M.


Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 19th
day of April, 20 23, at 4:37 o'clock 1 M.
By: 